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TODAY: STYLE Body Art, Page 10

Korea Party Nominates A Successor For Kim

Ruling Faction Seeks Candidate Unsullied By Seoul's Scandals

Compiled by Our Staff From Dispatches

SEOUL — The governing New Korea Party nominated Lee Hoi Chang, a former prime minister and Supreme Court justice, as its candidate Monday in South Korea's presidential elections in December.

Mr. Lee is known for his upright image, and is expected to bolster his party's chances of winning the presidency again despite opposition accusations of government corruption.

Several former cabinet ministers and close associates of President Kim Young Sam have been convicted of bribery. President Kim's son, Kim Hyun Chul, is also on trial, on charges of bribery and tax evasion.

Political analysts said that Mr. Lee, who won his nickname "Mr. Clean" while on the Supreme Court, would probably be able to succeed President Kim if he could hold New Korea Party together.

His most difficult task, they said, would be to stop one of his six rivals in the voting Monday from quitting the party to run independently in the December election.

"Lee Hoi Chang has always refused to compromise over his principles and the level of political power he could exercise," said Cho Chang Hyun, who lectures on politics at Seoul's Hangyang University. "That image would help his party fight scandals that embroiled its members but at the same time could invite hostile relations with other party seniors."

Mr. Lee, 62, was considered the favorite for the nomination since President Kim appointed him to be chairman of the governing party in March. Mr. Kim's single five-year term ends February. By law, he cannot be re-elected.

"Whether you supported me or someone else," Mr. Lee said upon accepting the nomination, "we are now all colleagues. We are one. I am sure that all of you will, hand in hand, support me from now on.

"With your help, I am sure that I will be able to win the presidential race," he said to loud cheers at the party's national convention in Seoul's Olympic

See KOREA, Page 7

Agence France-Presse

Lee Hoi Chang, left, and President Kim Young Sam celebrating Monday at the New Korea Party's convention.

Failure Pays (Well) for U.S. Bosses

By Judith H. Dobrzynski
New York Times Service

NEW YORK — In today's topsy-turvy business world, it has come to this: For top executives, failure — once a wretched embarrassment disguised in corporate spin language or hushed up completely — now pays. Especially if they fail quickly.

John Walter, who joined AT&T Corp. as president last November and resigned under pressure on Wednesday, is the latest to pass through an executive suite and collect a multi-million-dollar settlement. He walked away with nearly $26 million after the company's board said it was reneging on its promise to name him chief executive next January because he was not up to the job.

Before Mr. Walter came Michael Ovitz, who spent 14 months until December as the No. 2 executive at Walt Disney Co. and got $90 million; Gilbert Amelio, who moved into the corner office of Apple Computer Inc. for 17 months that ended on July 9 and pocketed at least $7 million, and Robert Greenhill, who left his post as chairman of the Smith Barney division of Travelers Group less than three years after joining it in 1993 and collected $22 million.

Those are just a few noteworthy examples of a growing trend that started in the 1980s when, under shareholder pressure, boards were increasingly forced to dismiss lackluster executives and bring in new ones, often from other corporations. As turnover at the top grew and job security diminished, executives began demanding a safety net in the form of a guaranteed payoff if things did not work out.

Now, being ousted delivers a lump sum of cash and other benefits equivalent to several years of work, and the practice is feeding on itself. "John Walter will spawn great anxiety in the business world" about job security,

See HANDSHAKE, Page 12

Corporate Tax Jumps Jolt French Industry

Increases, Higher Than Expected, Aim at Monetary Union Criteria

By Alan Friedman
International Herald Tribune

PARIS — France's new leftist government announced higher-than-expected corporate tax increases and other deficit-cutting measures Monday in a bid to qualify for European economic and monetary union. French business leaders and several economists immediately criticized the move.

French industry reacted with dismay to the plan to increase the corporate tax rate to 41.6 percent from 36.6 percent and the capital gains tax rate for companies to nearly 42 percent from 19 percent. The Paris bourse's main index fell immediately by 1 percent before rebounding later in the day.

The 32 billion franc ($5.3 billion) package of deficit reduction measures, two-thirds of it based on tax increases, was unveiled by France's new finance minister, Dominique Strauss-Kahn.

He said the measures would include 10 billion francs in spending cuts, but he offered little detail except that 2 billion francs of cuts would come out of defense spending. The corporate tax increases, he said, would be effective in 1997 and 1998, before being phased out, starting in 1999.

Mr. Strauss-Kahn said that an audit ordered by the Socialist-led government had found that without these steps France would be facing a 1997 deficit of 3.5 percent to 3.7 percent of its gross domestic product, well beyond the 3 percent target mandated by the Maastricht treaty for participants in the introduction of a single currency.

Jean Gandois, president of the French industrialists' association, the CNPF, commenting on the increase, said "the entire nation will pay a price" and complained that French companies are already "the most heavily taxed in the world."

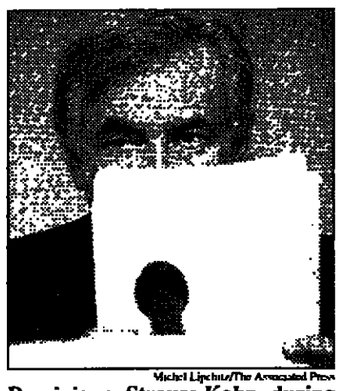
Some economists, meanwhile, said the measures might help France to pare its budget deficit and showed that the new government was committed to monetary union. There was also relief that the government had decided not to risk damaging France's fragile upturn in consumer confidence by increasing the tax burden on households.

But analysts warned that the added tax burden were likely to make France less competitive, discourage new investment, and might reduce prospects for job creation in an economy already suffering 12.5 percent unemployment.

"This really goes in the wrong direction," said J. Paul Horne, economist at the Paris office of the investment bank Smith Barney. "The government is proving itself faithful to its pledge not to cut the welfare state, which thus continues on its bloated way, except it is the corporate sector that has to pay for it."

Alison Cottrell, an economist at the securities firm PaineWebber in London, said that while the French government wanted to create jobs over the long term, the tax increases implied that "they are damaging investment over the long term." Ms. Cottrell said it was reasonable to ask "how much investment in expansion of capacity will French companies engage in if their corporate tax liabilities are simply going up and up?"

See FRANCE, Page 7



Michel Lipchitz/The Associated Press

Dominique Strauss-Kahn during his audit presentation on Monday.

IRA Truce: Turning-Point or Tactic?

By Warren Hoge
New York Times Service

NEWS ANALYSIS

LONDON — In declaring its new cease-fire, has the Irish Republican Army renounced its historic commitment to armed struggle and opened the way to a power-sharing future for Northern Ireland or is it just tactically substituting ballot for bullet in a continuing fight that will end only if Ireland is fully united?

Answering that essential question was proving difficult in an atmosphere where suspicion is abundant and trust scarce, where the relationship of the IRA military commanders and the leaders of Sinn Fein, their political wing, is kept deliberately mysterious and where even with the guns suddenly silent, the debate turns on weapons.

People hoping to find the word "permanent" in the carefully worded announcement were disappointed.

The euphoria that greeted the IRA's cease-fire call in 1994 is tempered this time by awareness of the amount of weaponry and explosives the underground organization has at its disposal, the recollection of its sudden return to the bomb 17 months after its last call to lay down arms and claims by its present leadership that it has no intention of dismantling any part of its arsenal during the negotiating process. Martin McGuinness, the chief negotiator of Sinn Fein, said Sunday that the underground organization would not surrender "a single bullet."

It was this concern that took David Trimble, leader of the Ulster Unionists, the largest Protestant party in Northern Ireland, to 10 Downing Street on Mon-

See IRA, Page 7

Currency Turbulence Spreads Across Asia

By Philip Segal
Special to the Herald Tribune

HONG KONG — A fresh wave of currency speculation swept through Asia's financial markets Monday, pushing the Indonesian rupiah down 7 percent, shaking the Singapore dollar and forcing Hong Kong authorities to raise interest rates sharply to defend their dollar.

The assault on Indonesia's rupiah came as a surprise. Until now it has been largely spared the rough treatment dealt to the currencies of Thailand, the Philippines, Malaysia and even Singapore.

But on Monday, speculators caught up with the currency and attempted to profit by pushing it down. They did so, economists and traders said, even though the rupiah was not fundamentally overvalued as are some of the Asian currencies that have come under attack in recent weeks.

Rather, they said, it was targeted simply because it was now the most vulnerable after having been mostly ignored in the earlier speculative bouts. Indonesian authorities allowed the rupiah to slip against the dollar last week to make it less vulnerable to speculators.

The new attacks came a day after the International Monetary Fund announced that it would arrange a $1 billion loan to the Philippines to help Manila shore up the peso against speculators. It was the first time the IMF had used the emergency procedures set up after the Mexican economic crisis of 1994-95. (Page 11)

The IMF move was in response to the pressure placed on Southeast Asian economies since Thailand let its currency, the baht, float July 2 under heavy pressure from speculators. The resulting shock waves have spilled over to currencies and stocks as far away as Latin America and Eastern Europe.

Monday's attack on the rupiah "certainly caught me by surprise, although we're navigating through waters with plenty of surprises," said Mark Sundberg, chief regional economist for Salomon Brothers.

Indonesia has "a well-managed macro economy and strong growth looking out," as well as an absence of overextended banks and of overheating in its property market, he said.

The dollar rose as high as 2,665 rupiah, up 177.5 rupiah, or 7.13 per-

See ASIANS, Page 7

AGENDA

Italy Cracks Down On Naples Gangs

ROME (Reuters) — Italy decided Monday to send 200 extra police to the southern city of Naples to help crack down on an outbreak of gang killings, the Interior Ministry said.

Interior Minister Giorgio Napolitano made the decision after five people were murdered over the weekend in fighting between rival clans of the Naples Mafia, bringing the death toll from the violence in the last six months to 89.

The additional troops will also serve to intensify "investigations into the most aggressive clans," the ministry said.

PAGE TWO
A Chinese Student's U.S. Report

THE AMERICAS Page 3.
Turning to the Republicans

EUROPE Page 5.
Tiptoeing to Better Aegean Ties

BUSINESS/FINANCE Page 11.
All in the Family at BSkyB

Books ..... Page 9.
Crossword ..... Page 10.
Opinion ..... Page 8-9.
Sports ..... Pages 18-19.
The IHT on-line http://www.iht.com

The Dollar

New York	Monday @ 4 P.M	previous close
DM	1.7963	1.7915
Pound	1.6787	1.6803
Yen	116.15	115.45
FF	6.0565	6.053

The Dow

	Monday close	previous close
+16.26	7906.72	7890.46

S&P 500

change	Monday @ 4 P.M.	previous close
-2.32	912.98	915.30

Fabrizio Bensch/Reuters

Residents of the Oder River city of Eisenhuettenstadt, Germany, removing items from a workshop Monday.

Along the Oder: Bracing for More Floods

By Christine Spolar
Washington Post Service

WROCLAW, Poland — The search for fresh water in a region overcome by rain, sewage and the sour smell of mildew should end at the doors of Mokry Dwor, the expansive treatment plant that usually gushes out clean water to 400,000 people in this Polish city.

But on Monday, the only way to reach Mokry Dwor was by tractor, the sole vehicle able to chug through a nasty new lake — and past three dead deer that bobbled in its murk — outside the plant.

Inside Mokry Dwor, water that days ago swamped 2,000 pumps and power units and a thousand miles of cables remains a river of trouble.

"The water's dropped some but the pumps are still under water," said the general manager, Robert Madejowski, who has slept at the plant for the last two weeks, trying in vain to protect the plant's precious machinery. "The damage is huge. All the engines have to be pulled out, dried or repaired — and we're still waiting for the second wave of flooding."

Poland and the Czech Republic are staggering through nearly two weeks of record rain and floods. About 100 people have died so far in the deluge.

Flood waters were expected to crest Monday in some towns north of Wroclaw, but the Oder River was expected to roll through the hard-hit south again by midweek.

Daily life remains dire for hundreds of thousands across the border. Sewage is being emptied directly into the overflowing Oder in order to restore some water services.

Families are sending their children away to protect them from disease to government-sponsored camps and the homes of volunteer families in the north.

Fights broke out this weekend at some of the tank trucks dispensing fresh water to residents. Promises of government aid are invitations to brave the Polish bureaucracy and some of the worst effects of the flood itself.

Inside the municipal offices of Wroclaw, few workers could explain how to apply for much-vaunted government reimbursements of $1,000. Most of those same workers, in fact, had trouble find-

See FLOOD, Page 7

Newsstand Prices

Bahrain	1,000 Din	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$30.00

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Liberian Leader Lost the War, But May Have Won the Battle

By James Rupert
Washington Post Service

MONROVIA, Liberia — Charles Taylor, the warlord who started and dominated Liberia's brutal seven-year civil war, appears to have won by election the power that he was unable to conquer by gun.

With a third of the Saturday voting counted, Mr. Taylor had a huge lead in what Liberians say was their country's freest balloting ever.

With results from 684 of the 1,890 polling sites counted, Mr. Taylor had almost 66 percent of the vote.

His top rival, a former World Bank and UN official, Ellen Johnson-Sirleaf, had just under 16 percent.

It also appeared that Mr. Taylor's party would get a majority in a new legislature, which is being elected by a proportional representation. Final results are expected on Wednesday.

The credible election fulfills a goal of the United States and European and West African nations, which are trying to help rebuild the collapsed Liberian state. But Mr. Taylor's victory frustrates a longtime desire by many of those countries to keep him out of power because they see him as a corrupt and pompous authoritarian.

Though incomplete, the results appeared unlikely to be reversed. They came from a variety of areas, including parts of Liberia where Mr. Taylor's opponents were thought to be strong and included no ballots from his own regional stronghold.

The election represents an important step forward for a country riven by ethnic strife. But Mr. Taylor's apparent victory will raise immediate new concerns. Even if he has proven himself Liberia's most popular political figure, he remains its most hated in some circles.

During a war that killed an estimated 150,000 or more people and included brutality on all sides, human rights groups frequently reported atrocities by

See VOTE, Page 7

Learning About America / **A Student's Chronicle**

A Chinese Author Discovers the Limits of Ideology

By Patrick E. Tyler
New York Times Service

BEIJING — At a time when many of the best-selling books in China promote the idea of standing up to the United States, or other forms of chest-thumping to herald China's rise as a great power, one author has returned from a long sojourn in the United States to testify that it is a fairly normal place, a land of great opportunity, deliciously free and full of "real people."

Qian Ning's "Studying in America," is not a sentimental paean, but an objective chronicle of the lives of Chinese students who have become a significant presence on almost every university campus in the nation that is known in Chinese as "Meiguo," or "beautiful country."

"My first impression when I arrived in Ann Arbor was the singing, the laughter and the smell of barbecue at parties on the campus I saw that evening," wrote Mr. Qian of his first day at the University of Michigan.

It was August 1989, just weeks after he had witnessed the large pro-democracy demonstrations at Tiananmen Square and the military crackdown that led to the massacre of hundreds of unarmed students and workers by Chinese troops.

"This world in front of my eyes was so different from the world on Tiananmen Square, that it was impossible to connect them together in my mind," he continued. "But at that moment, I understood a simple thing. We Chinese — at least the younger generation of Chinese — can have a different kind of life, free from the repetitious political movements in the past and life-and-death struggles."

No one would call Mr. Qian a political dissident or firebrand. In simple and elegant terms, much the same as those used by Alexis de Tocqueville to describe the early United States to Europeans, Mr. Qian, 37, seems to undermine the rancorous literature of Chinese nationalism.

Having left China troubled and confused eight years ago, he described the United States he found and the Chinese he encountered there. Among them was a visiting scholar who was having difficulty coping with freedom after years of regimented life in China. "Here nobody controls you, but nobody cares about you," he told Mr. Qian.

There are stories of Chinese who became millionaires in the United States but who are still haunted by the persecutions they suffered in China under Mao Zedong, and there are stories of those who failed to assimilate or struggled against the anxiety, insecurity and deprivation of an immigrant class.

One student in economics arrived from China on a one-year scholarship and described his "sense of being an elite." Initially sought out by his American colleagues to lecture on the Chinese economy at university seminars, he discovered a different side of life in a capitalist society when he had to find a way to support himself.

"When his scholarship ran out, he found out how miserable and tiny he was," Mr. Qian wrote. The visiting scholar took a job in a restaurant cutting up chickens into breasts, legs and wings and "all his elite sense was lost."

MR. QIAN'S book, which was published last winter, is exceptional not only because it offers millions of Chinese readers an objective antidote to the nationalistic streak that has infected Chinese literature, but also because it carries the authority of Mr. Qian's family background. He is the son of Qian Qichen, who is the Chinese foreign minister and a deputy prime minister.

Like many of the 250,000 students — China's best and brightest — who have traveled to the United States in the last two decades, the younger Mr. Qian experienced the metamorphosis of a child who grew up during China's most turbulent decade — the 1966-76 Cultural Revolution — only to discover a different reality outside China.

"Chinese students who went to America had simple but firm beliefs that their leaders should control the people," he said. "We thought that the values and standards in our society were only natural and absolute. It was only when we got into another society that we realized the limitation of our own ideology.

"My impression after arriving in the United States was 'Wow, who would have thought that a man could live this way!' "

With books like "China Can Say No" and "The Demonization of China," the state-controlled publishing industry and a number of opportunistic authors, most of whom have never visited the United States, have attempted to cash in on popular sentiments and Communist Party pronouncements that the United States, Britain and the West in general are seeking to "contain" or restrain China's emergence on the world stage.

Mr. Qian's writing rejects this view of the United States in favor of a more empirical study of how Chinese students have been discovering the land they have read so much about.

SIPPING coffee in a hotel lobby in Beijing, to which he returned in 1995 to become a consultant to the U.S. accounting firm Coopers & Lybrand, Mr. Qian explained his view of the complicated state of relations between China and the United States.

"I think that in China, as well as in America, there is a gap between what the politicians say about each other's country, and what the people think," he said. "I would have to say that when you look at a newspaper here, maybe you will find a lot of criticism of one thing or another about the West, but people here do not take it very seriously; they know this is the official culture. When you look at China — or America — what is more important is the real life of the people."

Most Chinese, he said, do not share the critical view of the United States that is expounded by Communist Party propagandists. And he said he does not believe that Chinese and Western civilizations are fated to clash.

"I don't go along with this theory," he said. "A lot of Chinese in the United States have adapted to the American lifestyle without much effort. I think the trouble is caused by ideology. It is not really cultures that are clashing — it is ideology that is clashing, or politics, and that is understandable."

Still, Mr. Qian says that the average Chinese has done more to try to understand the United States than the average American has done to understand China.

"We are at a different stage of development," he said, and therefore many Chinese look to the United States as a role model for China's modernization.

"Maybe we can avoid some of the mistakes that America has made, but very few Americans really get a chance to learn a lot about China," he said.

Mr. Qian returned to China flush with optimism that he can contribute to China's transformation to something better by working for its economic development.

He avoids the political implications of this goal, but the subtext of what he says is a powerful message to China's leaders that the coming generation has already rejected the ideology of their elders and that freedom, much more of it than now exists, is high on their agenda.

The New York Times

Qian Ning, whose father is Foreign Minister Qian Qichen, has written a book describing the lives of Chinese students who have become a significant presence on almost every university campus in the United States.

To Save Trees, Brazil Opens Amazon to Legal Logging

By Diana Jean Schemo
New York Times Service

RIO DE JANEIRO — Faced with rampant illegal logging, the Brazilian government is opening timber reserves in the Amazon rain forest to commercial loggers in what it describes as a project to combine economic potential with controlled development.

While Brazil has in the past opened reserves to logging, the new concessions are the first that will be sold for logging in the Amazon rain forest.

The forest reserves cover 5.4 million acres (2.2 million hectares). They were mapped out during Brazil's military dictatorship, which lasted from 1964 to 1985, with the prospect of their eventual use by the timber industry. The government said last week that it would use the areas to demonstrate logging practices that could sustain surrounding communities and the environment.

"We aren't going to turn around policy in the Amazon simply through taxes," said Eduardo Martins, the head of Brazil's environmental agency. "We have to create a so-called positive agenda in forestry that will allow people to do this as a stable, economically viable activity, creating work in a region that needs alternatives."

The initial opening will cover 12,355 acres near the Tapajos River in Pará state, with further licenses scheduled for sale later this year and next. The contracts will run for a year. The environmental agency selected these areas for logging because it has complete inventories on all the trees there.

Mr. Martins said loggers who obtain the concessions would be subject to limits on the amount extracted and other rules that would insure that the same forest could be used for logging again within 20 years. The concessions could also include requirements for building housing for local residents or for fulfilling other obligations.

The plan drew mixed reactions from environmentalists. Israel Klabin, formerly a pulp and paper businessman who now runs a Rio foundation for sustainable development, said: "If we would be all the way orthodox about what we are doing, we would say that no development at all is best. But we have to see the complete impossibility of treating part of the country outside the pragmatic reality of what goes on around the world."

While illegal deforestation is hardly a new problem in Brazil, the recent arrival of several Asian logging companies, which bought failing domestic logging companies, has fueled concerns of a rapid acceleration in deforestation. A recent government study found that 80 percent of the timber extracted from the Amazon is being removed illegally.

Tarso Resende de Azeveda, the executive director of Imaflora, a group in São Paulo that rates the environmental soundness of logging operations, said the sale of licenses in the Tapajos reserve would destroy the ecosystem that supports hundreds of people in the area. "It's not so much that the logging itself is damaging, but it's a vector that brings in roads and machinery and people, that end up changing an area," he said.

Some also criticized the government's logic. "It's a bit ingenuous to suggest that by opening another area to logging that is legal, one is actually helping the environment," said Russ Mittermeier, president of Conservation International.

Peru's Leader: From National Hero to Political Villain in 3 Months

By Calvin Sims
New York Times Service

LIMA — Only three months ago, President Alberto Fujimori was riding high on a wave of popularity driven by the daring rescue of hostages held by leftist guerrillas at the Japanese diplomatic residence here.

Peruvians and foreign governments had nothing but praise for Mr. Fujimori for carrying out the raid with so few casualties among the hostages and rescuers — a feat he called a "victory for democracy."

But now, after a string of blatant attacks against the judiciary, the press and critics, Mr. Fujimori has few supporters. His approval rating is at an all-time low, five members of his cabinet resigned last week and thousands of people have protested in the streets.

Reveling in the success of the hostage raid, Mr. Fujimori's government has undertaken a repressive campaign in recent weeks to remove any obstacle to his winning an unparalleled third term.

His administration engineered the dismissal of three Supreme Court justices who ruled that it was unconstitutional for Mr. Fujimori to run for president again. It also tapped the telephones of prominent citizens and journalists, and tried to shut down the television station that exposed the illegal wiretaps.

While Mr. Fujimori's critics predicted that he would use the hostage rescue to advance his political agenda, almost no one expected him to go to such extremes, which have led many people here to conclude that the president has lost the vital support of Peru's notorious intelligence service and armed forces, which have long been the foundation of his rule.

Analysts have described Mr. Fujimori's government as a tripod in which the president shares power with the heads of the military and the intelligence service. But the moves undertaken by his administration in recent weeks have convinced many analysts that Mr. Fujimori has lost the upper hand and is desperately trying to regain it.

"This is the beginning of the end for Fujimori and the dictatorial way he has ruled Peru," said Javier Diez Canseco, an opposition congressman. "Fujimori either has to break ranks with the generals and advisers that are behind his repressive regime or they will break him. There is too much public outrage for things to continue as they have."

In recent days, thousands of union workers, professionals and students, waving banners and chanting anti-Fujimori slogans, have filled the plazas and streets of Lima in the largest demonstrations against the government since Mr. Fujimori took office in 1990.

"A few weeks ago I would have been afraid to march against the government, because people who protest are often killed and tortured," said Jorge Marina, a teacher who demonstrated last week in front of the presidential palace.

"But Fujimori has gone too far this time," he said. "There is no democracy left. There is no hope for our children."

Even many of Mr. Fujimori's close friends and allies, including cabinet members, foreign diplomats and members of Congress, have expressed concern about the latest direction of his government.

Foreign Minister Francisco Tudela said he had resigned along with four other ministers as "a matter of conscience."

What apparently has angered Peruvians the most was the government's decision last week to revoke the citizenship of the owner of the television station that uncovered a scheme by the national intelligence agency to secretly record the telephone conversations of dozens of politicians, business executives and journalists.

Political analysts here said that Peruvians are also troubled by Mr. Fujimori's refusal to remove two officials who are believed to be the architects of the wire-tapping scandal and the driving force behind what they consider to be his dictatorial style.

Giovana Penaflor, director of Imasen, a leading polling company, attributed Mr. Fujimori's plummeting popularity to "the fact that he has not provided the country with a clear and direct explanation of these scandals and he has not convinced people that as head of state, he is the one who is running Peru."

In fact, he has failed to respond to the public outrage at all. Instead he has largely stayed in the presidential palace.

TRAVEL UPDATE

Revenue Rises at Dubai Hotels

DUBAI, United Arab Emirates (Reuters) — Dubai's 233 hotels saw their revenue increase by 17.9 percent in 1996 to 1.7 billion dirhams ($463 million), the Department of Tourism and Commerce Marketing said.

The department added in a report published Sunday that there had been "an encouraging increase in visitors from some newer markets, such as the Far East and South Africa." It said that visitors from Europe accounted for about 35.6 percent of the 1.8 million visitors to the Gulf emirate last year.

Alliance Air Joins Zambian Carrier

DAR ES SALAAM, Tanzania (AFP) — Alliance Air has entered into an agreement on joint international flights with Aero Zambian, the independent Guardian newspaper reported Monday.

Alliance Air had been set up in 1994 under a joint venture among Tanzania, Uganda and South African Airlines. Under the agreement with the Zambian airline, Alliance will operate on international routes under the banner of Alliance Aero Zambia.

Workers in Kiev were struggling to replace a rusty sewage pipe that broke, sending tons of waste water into the sea off the Crimean port of Sevastopol and prompting the authorities to close two beaches. *(AP)*

Chicago Air Collision Investigated

Washington Post Service

CHICAGO — Federal investigators are investigating staffing levels at a tiny Chicago lakeside airport following the weekend collision of two small aircraft that killed seven people. Five women and two men were killed Saturday when the two aircraft, flying in clear weather, collided just off the Lake Michigan shore near the University of Chicago. Some of the wreckage fell into the lake near the shoreline.

SOUNDS

The Jazzman who took on Bach
Woody Allen
The Fugees

MIKE ZWERIN
Music Editor

If you missed it in the IHT, look for it on our site on the World Wide Web:

http://www.iht.com

WEATHER

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	24/75	16/59 pc	22/71	10/61 pc
Amsterdam	21/70	16/61 r	23/73	15/59 pc
Ankara	29/84	12/53 pc	29/73	9/48 sh
Athens	34/93	23/73 s	31/88	23/73 s
Barcelona	24/75	17/62 pc	25/77	18/64 pc
Belgrade	28/79	14/57 c	29/84	17/62 pc
Berlin	24/75	17/62 pc	25/77	16/61 c
Brussels	23/73	14/57 pc	25/77	15/59 pc
Budapest	26/79	16/61 pc	28/82	17/62 pc
Copenhagen	24/75	15/59 pc	24/75	14/57 pc
Costa Del Sol	29/79	18/61 pc	24/75	18/61 s
Dublin	21/70	14/57 pc	21/70	13/55 pc
Edinburgh	22/71	15/59 c	18/64	13/55 r
Florence	31/88	17/62 s	33/91	20/68 pc
Frankfurt	25/77	10/61 pc	26/79	16/61 c
Geneva	27/80	14/57 pc	30/86	16/61 c
Helsinki	20/70	10/61 c	20/70	13/55 c
Istanbul	32/89	18/64 s	29/82	18/64 pc
Kiev	23/73	14/57 sh	23/73	14/57 sh
Las Palmas	23/73	17/62 s	23/73	18/64 s
Lisbon	23/73	15/59 pc	23/73	15/59 pc
London	23/73	15/59 pc	23/73	15/59 pc
Madrid	32/89	16/61 c	25/77	14/57 sh
Mallorca	29/73	19/66 pc	29/73	19/66 pc
Milan	30/86	18/64 pc	32/89	19/66 c
Moscow	26/79	16/61 pc	24/75	13/55 c
Munich	21/70	13/55 sh	24/75	15/59 c
Nice	26/79	21/70 s	27/80	21/70 pc
Oslo	27/80	16/61 pc	27/80	15/59 c
Paris	23/73	16/61 pc	24/75	16/61 r
Prague	22/71	13/55 sh	25/77	14/57 c
Reykjavik	14/57	11/52 c	13/55	9/48 r
Riga	24/75	16/61 pc	26/79	16/61 c
Rome	28/82	19/66 p	31/88	22/71 pc
St. Petersburg	24/75	14/57 c	22/71	14/57 s
Stockholm	25/77	16/61 pc	25/77	14/57 pc
Strasbourg	25/77	16/61 pc	28/82	17/62 c
Tallinn	27/80	16/61 c	24/75	14/57 c
Tbilisi	29/84	18/64 pc	30/86	18/64 pc
Venice	28/82	19/66 pc	30/86	21/70 pc
Vienna	26/79	16/61 c	27/80	17/62 c
Warsaw	23/73	13/55 sh	24/75	13/55 pc
Zurich	23/73	19/66 pc	26/79	17/62 c

Middle East

Abu Dhabi	38/100	28/82 s	38/100	28/82 s
Beirut	28/82	20/68 s	27/80	18/64 s
Cairo	37/98	21/70 s	36/97	20/68 s
Damascus	33/91	15/59 s	31/88	14/57 s
Jerusalem	29/84	14/57 s	28/82	14/57 s
Luxor	43/108	20/68 s	43/109	21/70 s
Riyadh	42/107	27/80 s	42/107	29/84 s

Forecast for Wednesday through Friday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America

The remains of Hurricane Danny may spread heavy rain from the Southeast to the mid-Atlantic region Wednesday into Friday. Sunny, hot weather will continue from the Southwest to the southern and central Plains. Sunny and nice in New England. The Northwest will have showers.

Europe

Wednesday to Friday will be partly sunny in London and Paris, but it could thunderstorm Wednesday or Thursday. Cloudy with showers across Ireland and Scotland. Strong thunderstorms will rumble across central and southern France; there could be heavy rains in the same area.

Asia

Some sunshine in Tokyo Wednesday, then showers Thursday. Typhoon Rose may threaten southern Japan Friday. Partly sunny and humid in Seoul with showers possible each day, but Beijing will be sunny and hot through Friday. Warm and sticky in Hong Kong with the chance for showers.

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	18/64	12/53 sh	19/66	11/52 pc
Atlanta	29/84	23/73 r	31/88	23/73 t
Boston	24/75	16/61 pc	21/70	18/61 pc
Chicago	25/77	17/62 t	26/79	18/61 sh
Dallas	36/97	24/75 pc	34/93	22/71 pc
Denver	33/91	16/61 t	32/89	14/57 pc
Detroit	27/80	17/62 sh	26/79	16/61 sh
Honolulu	31/88	23/73 s	30/86	23/73 pc
Houston	35/95	23/73 s	34/93	23/73 pc
Los Angeles	29/84	16/61 pc	31/88	17/62 pc
Miami	32/89	25/77 pc	33/91	26/79 t
Minneapolis	26/79	17/62 c	26/79	17/62 pc
Montreal	23/73	12/53 s	23/73	14/57 pc
Nassau	33/91	24/75 s	33/91	25/77 pc
New York	28/82	21/70 r	28/79	19/66 sh
Orlando	33/91	23/73 pc	33/91	24/75 t
Phoenix	39/97	27/80 t	41/106	29/82 t
San Fran.	24/75	14/57 pc	26/79	14/57 pc
Seattle	23/73	13/55 pc	24/75	14/57 pc
Toronto	24/75	12/53 pc	26/79	14/57 sh
Vancouver	22/71	10/50 pc	23/73	12/53 pc
Washington	31/88	21/70 r	30/86	21/70 sh

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	34/93	13/55 s	35/95	15/59 s
Bali	31/88	21/70 pc	29/84	24/75 t
Bangkok	31/88	26/78 t	30/86	26/79 t
Beijing	36/100	23/73 s	34/93	26/79 pc
Bombay	29/82	25/77 r	29/82	26/79 r
Calcutta	31/88	24/75 r	31/88	24/75 sh
Chiang Mai	32/89	24/75 t	31/88	24/75 t
Colombo	29/84	25/77 r	29/84	24/75 r
Hanoi	32/89	24/75 pc	31/88	25/77 pc
Ho Chi Minh	31/88	24/75 t	31/88	24/75 r
Hong Kong	30/86	24/75 pc	29/84	24/75 pc
Islamabad	41/106	29/84 s	39/102	28/82 pc
Jakarta	31/88	23/73 s	31/88	23/73 pc
Karachi	33/91	26/79 pc	32/89	26/79 pc
K. Lumpur	31/88	23/73 t	32/89	23/73 sh
K. Kinabalu	29/84	21/70 pc	31/88	22/71 pc
Manila	31/88	23/73 pc	30/86	23/73 pc
New Delhi	36/95	25/77 sh	34/93	26/79 r
Phnom Penh	32/89	24/75 t	30/86	24/75 sh
Phuket	31/88	26/79 t	30/86	26/79 t
Rangoon	32/89	27/80 t	31/88	26/79 t
Seoul	33/91	23/73 pc	32/89	23/73 pc
Shanghai	32/89	23/73 pc	31/88	22/71 pc
Singapore	31/88	22/71 pc	31/88	22/71 pc
Taipei	31/88	23/73 pc	31/88	23/73 pc
Tokyo	28/82	22/71 pc	27/80	22/71 pc
Vientiane	32/89	26/79 pc	31/88	25/77 pc

Africa

Algiers	35/95	21/70 s	32/89	18/64 s
Cape Town	19/66	6/43 s	16/61	4/39 c
Casablanca	20/68	13/55 s	19/64	15/59 pc
Harare	24/75	11/52 s	25/77	12/53 s
Lagos	28/82	22/71 c	27/80	22/71 sh
Nairobi	24/75	9/48 pc	26/79	11/52 pc
Tunis	38/100	23/73 s	41/106	24/75 s

Latin America

Buenos Aires	16/61	8/46 pc	17/62	10/50 c
Caracas	31/88	24/75 pc	31/88	24/75 pc
Lima	21/70	16/61 s	21/70	17/62 s
Mexico City	27/80	11/52 s	24/75	13/55 pc
Rio de Janeiro	25/77	19/66 sh	23/73	17/62 sh
Santiago	20/68	7/44 pc	19/66	7/44 pc

Oceania

Auckland	11/52	9/48 c	13/55	7/44 sh
Sydney	17/62	8/46 pc	16/61	9/48 pc

Legends: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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صكنا من الاهل

THE AMERICAS

Tables Turned on Fund-Raising

By Dan Morgan and Lena H. Sun
Washington Post Service

WASHINGTON — Not many people spend four years in a high position in Washington and leave with a halo, but a smooth-talking Mississippian by the name of Haley Barbour pulled off that feat last winter.

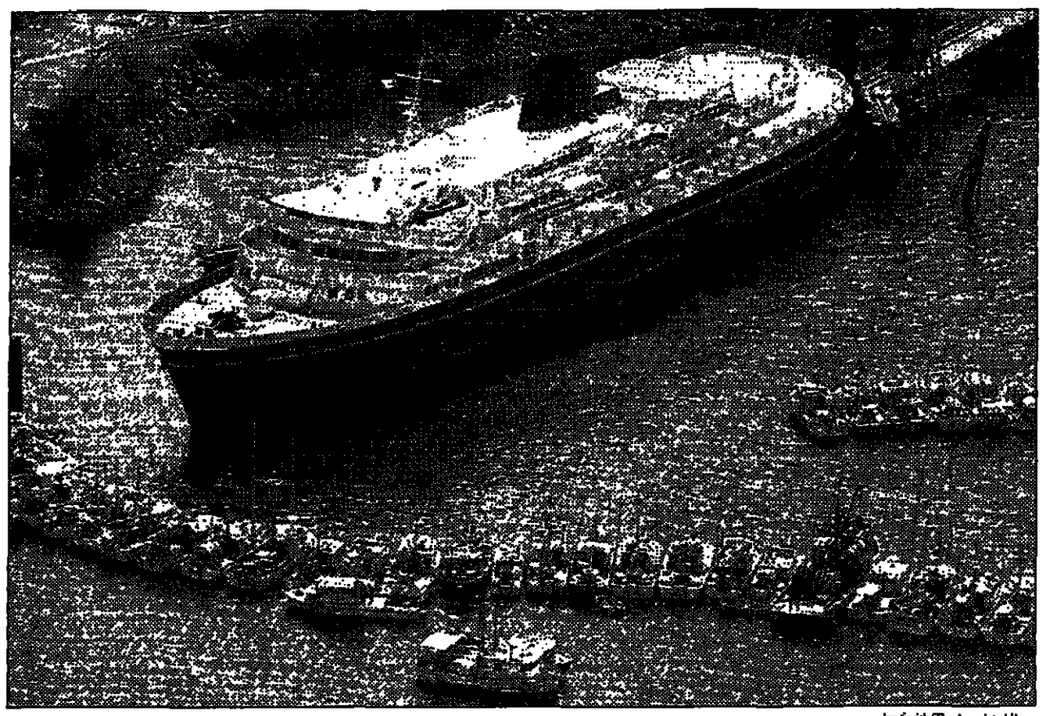
When he relinquished the chairmanship of the Republican National Committee and resumed his career as a lobbyist and lawyer, he was widely hailed for restoring the Republican Party to financial health and helping to mastermind its stunning comeback after an electoral humiliation in 1992.

This week, Senate Democrats hope to knock off Mr. Barbour's shiny halo by showing that he financed the Republican congressional victories in 1994 and 1996 in part with illegally gotten foreign cash. Mr. Barbour has denied any wrongdoing, and a Republican senator said Mr. Barbour would present a vigorous defense.

The hearings follow two weeks of Republican efforts to highlight Democratic campaign fund-raising abuses. Because key figures have refused to testify without immunity, Republicans have had to rely mainly on lesser-known witnesses and somewhat ambiguous testimony. The Democratic case, by contrast, will feature a prominent, colorful key witness — Mr. Barbour — and a straightforward theme summed up by the Governmental Affairs Committee's ranking Democrat, John Glenn, of Ohio: "As far as I know, this is the only case, where the head of a national political party knowingly and successfully solicited foreign money, infused it into the election process and intentionally tried to cover it up."

Mr. Glenn and his team of Senate investigators hope to show that Mr. Barbour solicited hundreds of thousands of dollars from a Hong Kong businessman, Ambrous Tung Young, for the National Policy Forum, a research organization founded by Mr. Barbour and subsidized by the Republican National Committee. Shortly before the 1994 election, Mr. Young put up certificates of deposit to guarantee a bank loan to the forum, enabling it to pay back $1.6 million to the Republican National Committee on Oct. 20, 1994. Over the next several weeks, the Republican National Committee shifted a comparable amount of money to party organizations involved in close races in 15 states.

Republicans note that loan guarantees to the forum came through a U.S. company that they believed — mistakenly, as it turned out — was using U.S. funds. And they contend that the forum was separate from the Republican National Committee and, unlike political parties, legally could accept foreign contributions.



Ian Smith/The Associated Press

BLOCKED — Canadian boats stopping a ferry in British Columbia to protest Alaskan salmon fishing.

POLITICAL NOTES

Gingrich Minimizes Revolt Against Him

WASHINGTON — Only a handful of the dissidents who plotted against him really want to remove him, Newt Gingrich has said, expressing confidence that the vast majority of House Republicans support him.

In his first comments about the plot to overthrow him since it was revealed last week, Mr. Gingrich, the House speaker, also said he was confident of the loyalty of the House majority leader, Richard Armey of Texas, his second-in-command whose role in the scheming has been variously described.

The speaker asserted that "no more than eight" of the nearly 20 renegade lawmakers who met with the House majority whip, Tom DeLay of Texas, late July 10 to discuss removing him really wanted to do so. And he predicted he would easily win a vote of confidence from his 227 Republican colleagues if one were held at their weekly meeting Wednesday. *(WP)*

Budget Bill Helps Medicare Users

WASHINGTON — Relief is in sight for elderly people who, in recent years, have been forced to pay a large and rapidly growing share of the bills for hospital outpatient services like cataract surgery, hernia operations and many diagnostic tests.

The budget bill now moving through Congress would impose new limits on what Medicare beneficiaries pay for such services. Medicare provides state health insurance for elderly and disabled persons. Beneficiaries are ordinarily responsible for 20 percent of what the government determines to be a reasonable amount for care provided under Part B of Medicare, which covers doctors' services.

But because of a quirk in the federal Medicare law, there is no limit on what a patient may be required to pay for tests and services in the outpatient department of a hospital.

One change in the law would establish a fee schedule for hospital outpatient services. A hospital would not be allowed to charge more than the fee. *(NYT)*

Postmaster General Gets Some Bad News

WASHINGTON — This should be the summer of Postmaster General Marvin Runyon's triumph.

Overnight mail delivery scores are at record levels, and the U.S. Postal Service is about to conclude an unprecedented third consecutive profitable year.

Yet, as the 72-year-old former automobile company executive marked his fifth anniversary as head of the world's largest mail system, his future seems far from certain. A federal grand jury continues to investigate his role in a proposal last year to put Coca-Cola machines in postal lobbies, an inquiry that has clouded his tenure with hints of scandal.

And last week, the Postal Service Board of Governors signaled it has begun talking about his replacement.

Mr. Runyon has strongly denied any wrongdoing in the Coca-Cola affair. *(WP)*

Quote / Unquote

Representative Bill Paxon of New York, who resigned his appointed leadership role among House Republicans in the aftermath of the coup attempt against Mr. Gingrich: "We do not need to bash each other or rehash. There have been frayed nerves. The best way to move beyond that is to focus on the agenda and coming together." *(WP)*

Away From Politics

• **Several million cars will go on sale** this autumn with a costly new pollution-control device that will make it harder to fill the gas tank at some service stations and may pose a safety risk. The new device, called the onboard refueling vapor recovery system, is designed to capture the gasoline vapors in mostly empty gas tanks that are usually pushed into the air when the tank is refueled. The 1990 Clean Air Act requires automakers to install the devices on 40 percent of their 1998 models, 80 percent of their 1999 cars and on all 2000 models. Tests have found that the devices cause problems with some gas pump nozzles that are widely used in large cities. *(NYT)*

• **Sick mine workers** would no longer have to undergo countless medical examinations to prove they are eligible for black-lung compensation under new rules proposed by the Labor Department. Advocates for the mine workers back the idea but fear other aspects of the proposal could make it harder for miners to assemble a solid case. Mining companies oppose the plan, saying it hurts their right to submit evidence. *(AP)*

• **The police arrested a Louisville, Kentucky, man** after a store manager became suspicious over an $800 credit card bill for cigarettes. The man was charged with kidnapping a woman at gunpoint and forcing her to go from store to store for eight and a half hours, charging computers, video cassette recorders and other items. *(AP)*

Versace Suspect Is Seen Here, There and Nowhere

By Lizette Alvarez
New York Times Service

MIAMI BEACH — It's as if Florida and the rest of the United States are suffering from a collective form of myopia, neck strain and wishful thinking.

Since the Italian fashion designer Gianni Versace was gunned down Tuesday outside his mansion here, the police and the FBI have pleaded with the public to be on alert for anyone who resembles Andrew Cunanan, the prime suspect in the slaying, who has so far eluded a huge manhunt.

There is no question that the public has taken the request to heart. At least 1,500 calls have poured into the local tips line, and now the FBI is taking calls as well.

The only hitch so far is that Mr. Cunanan appears to be everywhere and nowhere. For one thing, Mr. Cunanan, 27 and a native of San Diego, has a face so nondescript that it appears vaguely familiar to just about everyone. It does not help matters that many men in the Miami area fit Mr. Cunanan's description: brown hair, 5 feet 10 inches (1.78 meters) tall, slim build, olive skin.

After the police said Saturday that Mr. Cunanan could be dressing as a woman, the possibilities for sightings became almost endless.

Someone in Fort Lauderdale, Florida, reported having spotted Mr. Cunanan in a peach dress in a supermarket. Someone else reported seeing him sipping a beer at a strip club, and a number of people have reported him either hanging back or carousing at just about every gay bar within driving distance of Miami Beach.

In a suburban section south of the area, one person reported having seen him milling about the neighborhood in a gray skirt, a white top and a gray wig.

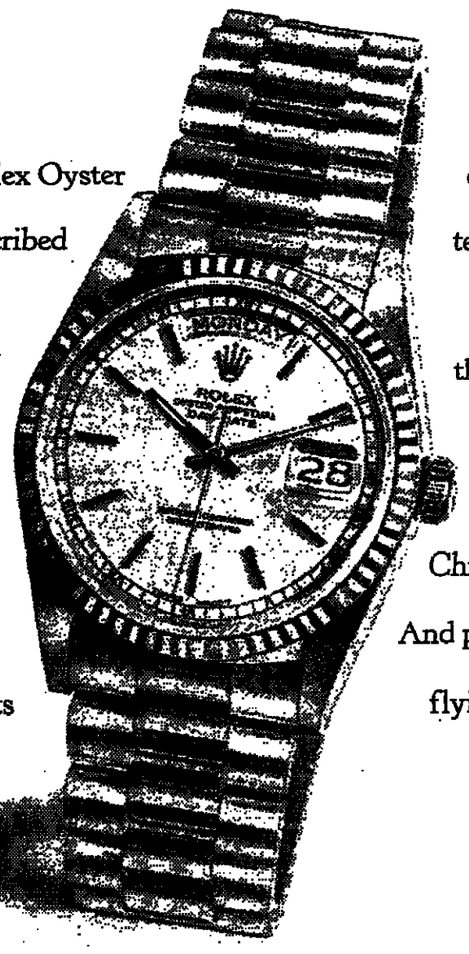
Mr. Cunanan is charged with killing three people in three states and is suspected in the slaying of two others, including Mr. Versace.

Law-enforcement authorities are centering their hunt for him on South Florida, but the sightings cross many state lines. Calls have come in from New York, Mississippi, South Carolina and New Mexico.

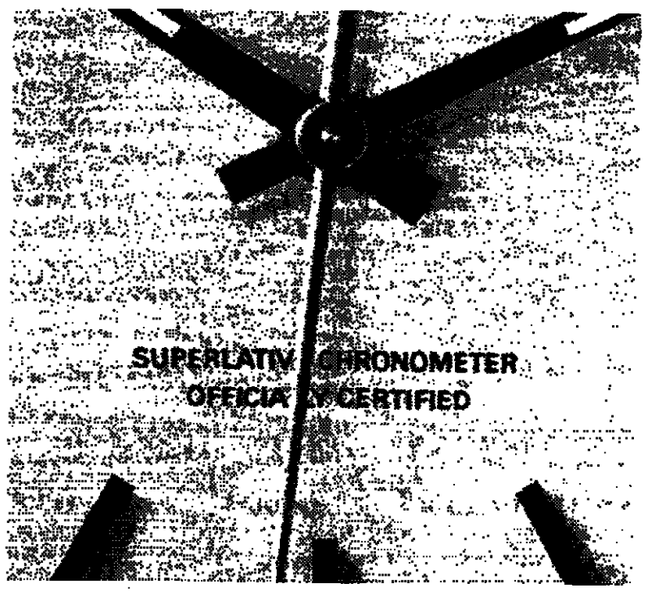
Every time Al Boza, a Miami Beach detective, holds a news conference in front of the Police Department, someone calls in to say he knows exactly where the killer is — standing in the background, right behind Mr. Boza. The look-alike has turned out to be a different police officer every time.

Even members of the media have been mistaken for Mr. Cunanan. A Miami Herald reporter was questioned after someone he tried to interview identified him as Mr. Versace's killer.

Before you buy an expensive watch, make sure you read the small print.



Every single Rolex Oyster whose dial is inscribed with the words opposite is a genuine Swiss chronometer. Its movement has undergone 15 days and nights of merciless testing at the hands of the Contrôle Officiel Suisse des Chronomètres. And passed with flying colours.



ROLEX
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'Face Reality,' Taipei Tells Beijing

Lee Denies Independence Aim but Stresses China Is Divided

Compiled by Our Staff From Dispatches

TAIPEI — President Lee Teng-hui on Monday denied assertions by Beijing that the aim of constitutional reform initiated here was to seek independence for Taiwan.

Mr. Lee said China must "face the reality that China is divided." Only such an acknowledgment, he said, can bring about positive exchanges between the sides.

President Lee added that he would soon shuffle the cabinet to fit in the new government structure approved last week by the National Assembly in a radical reform package.

"Chinese Communists have recently branded our efforts in improving political systems and expanding our international presence as 'seeking Taiwan independence' or 'creating two China's,'" Mr. Lee said to the legislators in his state of the union address.

"This kind of prejudice neither helps exchanges across the Taiwan Strait nor benefits people's welfare," Mr. Lee said.

He declared that the People's Republic of China must accept the continued existence of the Republic of China on Taiwan despite the defeat of the Nationalists in 1949 in the civil war on the mainland.

"There is no need to declare 'independence,'" Mr. Lee said, stressing that Taipei's goal was to strive for a "reunified new China under democracy, freedom and economic prosperity."

"We will never waver in our insistence on a single China that is unified as a new China through democracy, freedom and the equitable distribution of wealth," he added. "Whether relations across the Taiwan Strait can have genuine interaction depends on whether the Chinese Communist authorities can practically face the reality of one China divided."

Mr. Lee said Taipei and Beijing could overcome their differences with time.

"We need enough time to increase understanding and reduce distance," he said.

Mr. Lee urged Taiwan's business community to put survival of the Nationalist-ruled island's democracy ahead of profits and to "refrain from temptation" to profit from China's boom.

Deputies from the rightist New Party, holding protest banners reading, "President Destroys Constitution," walked out before Mr. Lee's speech.

The New Party boycotted a vote Friday in which deputies of the ruling Nationalists and the pro-independence Democratic Progressive Party passed laws to expand the president's power and slash the provincial government.

"It has set a precedent for the cooperation between the two parties, a step forward in our democratic development," Mr. Lee said.

China has criticized the dismantling of the provincial government level, which symbolized links with the mainland when Taipei maintained it was the legitimate government of all China.

A Chinese spokesman warned last week that the changes did not mean Taipei could break its ties with Beijing, which considers Taiwan a renegade province. Beijing has threatened to invade Taiwan if it ever made a move toward independence.

Under the reforms, the president can name a prime minister without Parliament and can dissolve Parliament.

But the Parliament would, in turn, be able to impeach the head of state and his deputy, with the endorsement of the National Assembly, whose main function is to vote on constitutional amendments. *(AFP, Reuters)*

John MacDougall/Agence France-Presse

Megawati Sukarnoputri congratulating Aberson Marle Sihaloho, who was freed pending an appeal.

Indonesia Jails Opposition Leader for 'Insult'

Compiled by Our Staff From Dispatches

JAKARTA — An Indonesian court convicted an opposition legislator Sunday of insulting President Suharto and sentenced him to nine months in prison.

Aberson Marle Sihaloho, a member of the Indonesia Democratic Party and an associate of the pro-democracy leader Megawati Sukarnoputri, denied defaming Mr. Suharto during a series of speeches last year.

Mr. Aberson has said the police never specified which of his statements in July 1996 were deemed offensive. Most of his speeches were supportive of Mrs. Megawati.

Prosecutors had sought an 18-month sentence for Mr. Aberson, who also was found guilty of defaming the armed forces and the House of Representatives. Mr. Aberson was freed pending appeal.

The government, meanwhile, ruled out overseas medical treatment for an ailing independent labor leader on trial for subversion.

Mucthar Pakpahan, head of the unrecognized Indonesian Labor Welfare Union, has been in a private hospital in Jakarta since March, when his trial was postponed indefinitely after he complained of vertigo. *(AP, Reuters)*

Mixed Messages on Cambodia Fighting

Compiled by Our Staff From Dispatches

PHNOM PENH — Troops loyal to the deposed first prime minister of Cambodia rallied Monday, while members of the Association of South East Asian Nations disagreed publicly on whether to admit Cambodia after the coup.

A Thai Army officer based near the border with Cambodia said royalist forces had retaken the strategic town of Samrong in the first significant victory for forces loyal to First Prime Minister Norodom Ranariddh since Second Prime Minister Hun Sen deposed the prince in a coup July 6.

Phnom Penh denied that Samrong had fallen to the royalist forces. Mr. Hun Sen's forces had entered the town Friday, and the secretary of state for information, Khieu Kanharith, said, "The government is still in control."

But Prince Ranariddh said in Singapore that his forces had indeed taken the town. He urged foreign donors to withhold crucial aid from Phnom Penh to forestall another civil war of the kind that tore Cambodia apart and killed hundreds of thousands over more than two decades.

"If there is a civil war," he said, "the people and especially the peasants in the countryside will suffer much more for much longer.

"I hope the world will not say, 'Business is business — business first, democracy later; business first, human rights later,'" he added.

The prince also ruled out attending the ASEAN working meeting that starts this week in Kuala Lumpur, an official with his delegation said.

"This is not a prime ministers' meeting," the official said. "We need to meet with the prime ministers."

ASEAN suspended Cambodia's admission, which was to take place Wednesday, because of the coup. But the alliance's foreign ministers differed on whether the delay would last a long time.

"I see this merely as a temporary setback," Foreign Minister Abdullah Ahmad Badawi of Malaysia said. "I look forward to Cambodia joining the ASEAN family in the near future once the problems are resolved."

But Foreign Minister Domingo Siazon of the Philippines said the chances of Cambodia's joining ASEAN in the near future were "zero."

Noting comments from Mr. Hun Sen, Mr. Siazon said that Cambodia's membership "is not in the bag right now, on July 23, but since he said, 'If after July 23 we are not in, you can forget it for the next five or 20 years,' so I would say that right now my assessment is zero."

Mr. Siazon, a member of an ASEAN mission that met with Cambodia's warring factions last week, said Mr. Hun Sen felt ASEAN's decision to hold off on his country's membership was "an insult to 10 million Cambodians since Laos and Myanmar are accepted." Myanmar is the official name of Burma.

Mr. Siazon called for further dialogue with Mr. Hun Sen, despite his rejection of ASEAN mediation.

"This is a fellow who has been in the rural areas since the beginning," Mr. Siazon said. "He has been fighting since he was young. You have to understand his framework, his experience and now he is essentially in control on the ground.

"What has to be done is to explain quietly, 'It does not look as easy as it seems because some of your major donors might stop and 60 percent of the Cambodian national budget comes from foreign aid.'"

But Mr. Hun Sen won further support for his coup inside Cambodia as another former ally of Prince Ranariddh's, the co-defense minister Tea Chamrath, aligned himself with the new government.

"I thank the government for crushing the hard-liners," Mr. Tea Chamrath said of Mr. Hun Sen's victory over Prince Ranariddh's forces.

A legislative committee called for the National Assembly to reconvene Monday, as it began adding items to the legislative agenda sought by Mr. Hun Sen and dropping issues raised by Prince Ranariddh, the assembly's acting secretary-general said.

But the members stopped short of putting on the formal agenda the candidacy of Foreign Minister Ung Huot to replace Prince Ranariddh as first prime minister. The vote would enable Mr. Hun Sen to maintain the appearance of power-sharing while he consolidates his rule.

Mr. Ung Huot, who was picked by Mr. Hun Sen, has yet to be approved by those members of Prince Ranariddh's royalist Funcinpec party still in Phnom Penh.

Prince Ranariddh said that Mr. Hun Sen's troops had killed more than 600 followers of the royalist party and promised to raise the question of human rights abuses at the United Nations.

"I think that as far as Funcinpec people are concerned," Prince Ranariddh said, "not less than 600 have been assassinated and more than 1,000 are now in detention." *(AP, Reuters, AFP)*

BRIEFLY

Hong Kong Transfer Was Costly

HONG KONG — Celebrations to mark the inauguration of Hong Kong's new government put a hole in a special budget, backed by Beijing, to prepare the territory's return to Chinese rule, the government said Monday.

In April, the office of Tung Chee-hwa, who succeeded the last British colonial governor, Chris Patten, as Hong Kong's chief executive July 1, estimated that setting up the new government and legislature would cost 107.8 million Hong Kong dollars ($13.9 million).

But in a statement Monday, it said that estimate had been revised to 139.9 million dollars. *(AFP)*

Taleban Admits Loss of Key City

QARABAGH, Afghanistan — The Taleban militia moved reinforcements onto a hill overlooking the Bagram air base Monday and conceded that its Afghan opponents had taken the key town of Charikar.

"We evacuated Bagram air base two days ago when Charikar fell," a Taleban commander said. "Masood's forces are now in the base," he added, referring to the former defense minister Ahmed Shah Masood.

In Kabul, the fundamentalist militia's religious police issued new regulations on women's activities, restricting their access to aid from international organizations and ordering them to avoid making noise with their shoes when they walked. *(Reuters, AFP)*

Waiver for China Army Vehicles

HONG KONG — Chinese Army vehicles on official duty are exempt from the normal customs examinations at the Hong Kong border, the Security Bureau here announced Monday, drawing criticism from pro-democracy organizations.

"The PLA Hong Kong garrison has maintained close liaison with the Customs and Excise Department and other law-enforcement agencies to ensure that nothing prohibited by Hong Kong laws is brought in or out," the bureau said.

But the head of the Democratic Party, Martin Lee, said the so-called Basic Law, Hong Kong's current equivalent of a constitution, had made it clear that garrison troops must obey local laws. *(AP, Reuters)*

Pay Raises for Indian Military

NEW DELHI — Military personnel will get significant pay increases that go beyond the recommendations of a government pay panel, defense officials said Monday.

The raises will cost the government 61.2 billion rupees ($1.7 billion) a year and will benefit around 1.4 million personnel in the army, navy and air force, they said.

The increase is part of a package of pay increases for civil servants, government employees and the armed forces approved by the cabinet last week. Defense Minister Mulayam Singh Yadav said at a news conference. *(Reuters)*

Chinese Dissident Reported Ill

BEIJING — A prominent Chinese dissident, Wang Dan, who was jailed last year on a charge of plotting to overthrow the government, is seeking a medical parole after developing what could be a nervous condition, his mother said Monday.

Mr. Wang's parents applied in late June to authorities at his prison in northeastern Liaoning Province to release him for medical treatment after he was affected by dizziness and headaches, his mother, Wang Lingyun, said.

"The application was made according to his present physical state, because examinations have shown he is suffering from a serious illness," she said. "I made the application last month without his knowing about it."

Prison authorities refused to allow doctors to diagnose the new sickness. *(Reuters)*

For the Record

About 20,000 Nepali Buddhists held a silent rally in Katmandu on Monday to protest the murder of a Japanese monk at Lumbini, the birthplace of Buddha, organizers and witnesses said. *(Reuters)*

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EUROPE

In 'Signal of Hope,' Greeks and Turks Take Wary Step to Better Ties

By Celestine Bohlen
New York Times Service

ATHENS — By itself, a joint statement signed by Greece and Turkey at the NATO summit meeting in Madrid amounted to a series of platitudes, including promises to observe existing treaties and not to use force against each other.

But in the context of a feverish relationship that took a turn for the worse in recent years, such language is being read as a breakthrough of sorts.

According to Greeks and foreign analysts, it may even be the start of a new discussion between countries whose history of mutual hostility has been one of NATO's most troublesome problems.

"It is substantial progress, because it allows us to meet," Foreign Minister Theodoros Pangalos said in an interview. "It is the first signal of hope."

The statement, brokered by the United States and signed July 8 by Prime Minister Costas Simitis of Greece and President Suleyman Demirel of Turkey, came a year and a half after the two nations seemed close to war over a couple of rocky islets in the eastern Aegean Sea.

Those islets are still in dispute and the list of issues that divide Greece and Turkey is as long as ever, including the divided island of Cyprus and Greece's right to extend its continental shelf 12 miles (20 kilometers) into the Aegean.

Behind those questions lurk old enmities that date to the times when the empire of the Ottoman Turks occupied Greece.

But the Madrid document did succeed in blunting the issue of the 12-mile limit, which Turkey no longer regards as a possible "cause for war."

As for the age-old animosities, there are Greek officials who will now openly discuss what was once unthinkable — the cultural affinities that bind Turks and Greeks, despite the history that has divided them.

"Ironically, many people feel that Greece and Turkey could have common ground, notwithstanding their historical enmity," a foreign diplomat said. "Greece has had a terrible historical experience with Turkey, but they don't have any feelings of cultural or racial superiority."

For several months, there have been hints that the Aegean crisis was beginning to ease.

In Turkey, attention has centered on the collapse of the government headed by Necmettin Erbakan, leader of a pro-Islamic party.

He was replaced as prime minister by Mesut Yilmaz, leader of a center-right party with strong secularist and pro-European traditions.

In Greece, Mr. Simitis, the low-key successor to the flamboyantly combative Andreas Papandreou, has given Greek foreign policy a calmer tone, with a new stress on international cooperation.

"You have a mood that is different here, and that is really important," a foreign diplomat said. "There is a resolve to solve problems."

The Simitis government has made significant progress in improving its image and its relations with neighbors and allies. The new tone has spread to Greek-Turkish relations, which for Athens more than for Ankara remains the top diplomatic priority.

A year ago, Mr. Pangalos was calling the Turks "international criminals" who lie like "fascists and Stalinists." Now, he talks of a future when, if certain conditions are met, Turkey will be "a very important partner" for Greece, and Greece will no longer provide camouflage for misgivings of Europeans about letting Turkey into the European Union.

"There are other countries in the European Union that have other problems with Turkey and who are hiding behind my back," said Mr. Pangalos, pointing to his ample girth. "I have a big back, as you can see, but it can't cover all that crowd."

It was Mr. Pangalos who in March defended Turkey's "European vocation" after a group of European Christian Democrats issued a statement challenging the idea that a mostly Muslim country straddling the divide between Europe and Asia could be a valid candidate for membership in the European Union.

"Turkey is very much part of European history, and Islam is already part of Europe," Mr. Pangalos said. "The conditions for membership should be uniform, and based on whether a country meets the economic, social and political conditions required."

To its dismay, Turkey was not on a list of six countries recommended for European Union membership issued last week by the European Commission. But many analysts have concluded that in softening its position, Turkey — in particular the new Yilmaz government — has signaled a diplomatic effort to win support in Europe.

Still, given the difficulties, few analysts expect quick results from the Madrid statement.

"We didn't solve any problems in Madrid," Mr. Pangalos said. "We established a framework to try to find ways to solve them. Maybe it will take one, two, three or 10 years. I don't know, but I suspect it will be a long process."

New, 2-Man Crew Will Repair Mir

3 Aboard Too Tired, Doctor Says

By Daniel Williams
Washington Post Service

KOROLYOV, Russia — Russian officials set new dates and new procedures Monday for repairs on the limping Mir space station as they officially passed the chores from the haggard present crew to a fresh crew preparing to go into orbit.

The new, two-member Russian crew will arrive at the Mir on Aug. 7, joining the present three-member Mir crew, which includes an American astronaut, Michael Foale.

Mr. Foale's two companions, Vasili Tsibliyev and Alexander Lazutkin, will then return to earth on Aug. 14, 11 days ahead of schedule, Russian officials said.

Mr. Foale, as originally planned, will remain on board until a U.S. space shuttle arrives in September to pick him up.

Between Aug. 18 and Aug. 20, the two new Russian cosmonauts, Anatoli Solovyov and Pavel Vinogradov, will begin repairs on Spektr, the Mir scientific module that was damaged in a June 25 mishap with a cargo vessel.

The cosmonauts will first reconnect electrical cables from Spektr's solar panels to the rest of Mir. At least one spacewalk is planned for Sept. 3 to inspect the puncture in Spektr that caused air in the module to leak.

The new crew "will stomp around, stamp their feet and see exactly where we've got depressurization," said Vladimir Solovyov, director of Mission Control.

[Mr. Foale, who had been tapped as a possible stand-in for the repairs, will not take part in the spacewalk, Russian officials confirmed, The Associated Press reported. But he will be stationed in the Soyuz escape capsule during the repair mission to assist in case of evacuation.]

[Mr. Solovyov and Mr. Vinogradov have been practicing the repairs in an underwater tank. Once aboard Mir, one of them will re-enter the depressurized Spektr module, assess the damage and reconnect the cables. A crewmate will assist from the hatchway.]

The U.S. space shuttle may also be used to photograph the damaged area, he said. No one has actually observed the puncture or other damage to the surface of Spektr; estimates of the size of the puncture — three centimeters, or a bit more than an inch — derived from mathematical calculations based on the rate of air loss.

A U.S. space official said that the National Aeronautics and Space Administration was already pondering how the shuttle might be used to photograph Mir, although there has been no formal request for its services.

The shift in schedule — this is the third date set for repairs to Mir — essentially marks the end of major activities on this mission for the present Mir crew. But the three will be returning to Earth to face tough questions about at least one other accident that marred their time in space: A shut down of all electrical power on the station when someone inadvertantly pulled a plug from a key computer.

Mission controllers did not consider the crew up to the task of the repair program, which would have required a grueling walk in space in bulky space suits. In particular, Mr. Tsibliyev, the commander, has been described as under heavy stress and is taking medication for an irregular heartbeat.

"One of the reasons we have canceled the space walk by this crew" was their state of exhaustion, said Dr. Igor Goncharev, chief physician for Mission Control.

[Mr. Solovyov, the Mission Control chief, bristled Monday at suggestions that the June 25 collision had caused irreparable damage to Mir as well as to the prestige of the Russian space program, The Associated Press reported.

["This collision has in no way shortened the useful life of the Mir station," he said. "That's how things work in this life. In the development of space technology, both we and the Americans make progress through disasters."]

Srdjan Ilic/The Associated Press

The Bosnian Serb president, Biljana Plavsic, greeting supporters during a rally in Doboj, north of Sarajevo.

Bosnian Serb Leader Urges Democracy

Compiled by Our Staff From Dispatches

PALE, Bosnia-Herzegovina — The Bosnian Serb president, expelled from her political party over the weekend, said Monday that being free from the constraints of party discipline was like being able to finally take a deep breath.

"It was as if I was wearing shoes two sizes too small," Biljana Plavsic said. "Now, I breathe with my full lungs."

Supporters of the wartime leader Radovan Karadzic expelled Mrs. Plavsic, his main rival, from the Serb Democratic Party on Saturday night. Senior police and military officials meeting Sunday said they would no longer obey Mrs. Plavsic, according to Bosnian Serb television.

Mr. Karadzic's supporters accuse Mrs. Plavsic of aiding the North Atlantic Treaty Organization's hunt for war crimes suspects and promoting a dangerous split among Serbs: She accuses them of corruption.

"Now is the moment to establish a democratic Serb state based on legality, because we belonged — and will again belong — to Europe," Mrs. Plavsic told a rally of more than 5,000 of her supporters on Sunday night.

The revolt against her appeared to confirm fears that a stepped-up NATO campaign against Mr. Karadzic, Bosnia's No. 1 war crimes suspect, has only led hardline Serbs to close ranks around him.

Two vehicles belonging to the United Nations police force were vandalized overnight in Pale, the stronghold of the hard-liners.

Separately on Monday, Croatia said it would fight demands to release documents that could be used as evidence against a Bosnian Croat general who is being tried at the war crimes tribunal. The tribunal told Croatia on Saturday that it had four weeks to provide information about General Tihomir Blaskic.

Deputy Prime Minister Ljerka Mintas-Hodak said Croatia would use "all legal means available" to protect "our right as a sovereign state and our right not to present documents deemed to be of national interest."

(AP, AFP, Reuters)

France Pledges Help in Fight Against ETA

Compiled by Our Staff From Dispatches

IBIZA, Spain — France pledged Monday to help Spain in its fight against the Basque separatist group ETA when ministers met here for talks to pave the way for a meeting this year.

The French justice minister, Elisabeth Guigou, told her Spanish counterpart, Margarita Mariscal, that the French government was prepared to fight terrorism "with all measures allowed in a legal state."

She said France had arrested 93 people connected with ETA in the past year and a half.

The Spanish interior minister, Jaime Mayor Oreja, joined in calling for increased cooperation.

"At this time, there needs to be a new push," he said, "since ETA leaders are in France, and there needs to be increased effort in finding the ETA terrorists." Basque Homeland and Liberty, has killed about 800 people since 1968.

The kidnapping and murder by ETA of Miguel Angel Blanco Garrido, 29, a politician who belonged to the governing Popular Party, sparked national outrage and large anti-ETA protests last week in Spain.

On Monday, three ETA members were given lengthy prison sentences in Madrid for their part in a plot to assassinate King Juan Carlos I.

Juan Jose Rego Vidal and Jose Garcia Sertucha were sentenced to 37 years each. Mr. Rego Vidal's son, Ignacio Rego Sebastian, was sentenced to 35 years.

They were arrested in August 1995 on Majorca as they plotted to kill the king, who was vacationing there aboard his yacht. *(AP, AFP)*

BRIEFLY

Arson in Germany Hurts 21

ESSEN, Germany — A smoky arson fire in an apartment building inhabited mostly by foreigners hurt 21 people early Monday, police said.

The fire started shortly after midnight in two sofas on the second floor of the four-story building that housed about 60 people, including many Africans, investigators said.

Police officials were investigating the cause of the fire, but Gabriele Limpert, a police spokeswoman, said there was no evidence that it was an attack on foreigners. There were no immediate suspects. *(AP)*

Iranians Seek German Asylum

BONN — About 15 asylum seekers from Iran occupied the headquarters of the opposition Alliance90/Greens party here Monday in a protest against the alleged ill treatment of political prisoners in Iran.

Heide Ruehle, secretary-general for the Alliance90/Greens, said her party tolerated the occupation to give the Iranian opposition a forum to go public.

The Iranians said five prisoners in Iran were in critical condition after starting a hunger strike at the beginning of the month. They claimed to be members of the opposition group Talash, whose German headquarters are in Cologne. *(AFP)*

Suspected Mob Boss Arrested

PALERMO, Sicily — A suspected mob boss, who eluded an anti-Mafia sweep in December, was arrested Monday on charges of ordering the killing of a prison guard.

Francesco Milazzo, 49, is charged in the 1995 slaying of a guard at Palermo's main prison that prosecutors say was an attempt at forcing the government to relax prison conditions for jailed mobsters.

The authorities had been searching for him since he escaped a sweep that led to the arrests of 40 other mob suspects. *(AP)*

Swiss Police Kill Baggage Thief

GENEVA — A police officer shot and killed a baggage thief Monday in the underground garage at Geneva's airport, a police spokesman said.

The officer, following up on a telephone tip, came upon the man and two accomplices loading a bag into a car in the fourth level below ground.

As he called out to the three, one of the men raised his hand holding an object. The officer, presumably thinking it was a weapon, shot him in self-defense, the spokesman said. The other two men fled, but left behind the suitcase, which contained several thousand dollars, he said.

The dead man was identified as a 19-year-old immigrant from the Albanian enclave in Kosovo, in southern Yugoslavia, who had been arrested on baggage theft charges four times since March, the police said. *(AP)*

1,500 Join Scientology Protest

FRANKFURT — Chanting slogans and singing songs, 1,500 to 2,000 people marched here Monday in a demonstration against religious discrimination.

The protest, organized by members of the Church of Scientology, attracted Scientologists from across Europe, Canada and the United States. The Hesse state Interior Ministry, saying Scientology is not a religion but a business, issued a statement criticizing the demonstration as misleading.

The protesters walked from the main train station to the Alte Oper opera house near the city center, carrying signs that read "Scientology Freedom of Religion," and "Against Discrimination of Religious Minorities." *(AP)*

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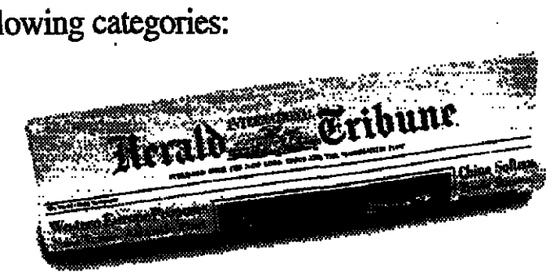

THE WORLD'S DAILY NEWSPAPER

In Impoverished Haiti, Profits From the Dead

As Economy Worsens, Grave Robbers Comb the Cemeteries for Valuables

By Serge F. Kovaleski
Washington Post Service

PORT-AU-PRINCE, Haiti — In this destitute country, not even the dead are sacred.

The capital's main cemetery — a maze of above-ground tombs in which the nation's poorest and its most powerful have been laid to rest — has been overrun by looters in search of bronze and iron coffin handles, gold teeth, jewelry, clothing and whatever else the deceased have to offer.

Rampaging mostly at night, grave robbers bash gaping holes through tombs and pry open caskets, stripping them of anything remotely valuable that can fetch money on the streets. Corpses and piles of bones are dumped on the ground, left to rot in the next day's sun.

The pilfering is so rampant that empty-handed vandals gather each morning inside the cemetery's front gates waiting for families to pay them to repair the violated mausoleums.

Casket handles, which can cost more than $100 in funeral parlors, are the thieves' target of choice.

It can be a matter of hours from the time a body is buried until a crypt is ransacked. And little is spared, including flowers and wreaths placed in memory of the dead that pillagers pluck and sell for quick cash, usually to other bereaved relatives visiting the same place.

"The day after I buried my father, I went to visit him, and his tomb was destroyed," said Solange Justin. "They dragged his coffin out, ripped the handles off and stole the shoes right off his feet. They left him out there like a dead animal. Things are so dire in our country that you can't even bury a loved one with dignity."

The wave of ghoulish assaults is one of the most shocking signs of how desperate life is in this Caribbean nation of 7 million people, the poorest in the Western Hemisphere.

Authorities say the looting began in earnest after international trade sanctions were imposed on Haiti in 1991. The measures were intended to pressure the country's military regime to accept the return of Jean-Bertrand Aristide, the president who had been ousted in a coup. But their most immediate and noticeable effect was to drive up prices.

The sanctions finally were lifted in late 1994 after U.S. troops were deployed to help restore democratic rule.

At the time of the American occupation, hopes were high that the country's economic situation would improve. But a turnaround has yet to materialize, and the authorities say more people are resorting to theft, including preying on the dead, as discontent mounts over the rising cost of living, astronomical unemployment and a widespread feeling among Haitians that the country is going nowhere.

Municipal officials said the criminal activity in the publicly run cemetery is disturbing not only because it shows a callous disrespect for the dead, but because the scattered bodies can spread disease in a city already ravaged by debilitating poverty.

"It is becoming a serious health problem," said Louis Maccena, assistant director of the mayor's social affairs office.

Mr. Maccena said it is difficult to keep looters out of the cemetery because the wall ringing it is low and easily scaled.

The authorities said that casket handles, which can cost more than $100 in funeral parlors, are the targets of choice for thieves, who resell them for as much as $20 — a substantial sum in a country where the average per capita income is estimated at less than $250 a year. There have also been instances in which entire caskets have been emptied, carried off and sold to newly bereaved families.

But some have begun taking matters into their own hands to protect the final resting places of their loved ones. A number of the tombs, some of them multistory structures of marble with sliding glass doors, are secured by large steel gates latched shut by padlocks.

"There is misery in this country, and people will do anything for money, even if it means stealing from the dead," said one of the many unofficial repair hands at the cemetery, who claimed he was paid roughly $2 for each tomb he refurbished.

"There is money in looting, but there is also money in putting coffins back in their place and patching up the holes," he said.

Yves Herman/Reuters

BELGIUM'S NATIONAL DAY — A woman shading herself from the sun with a Belgian flag as thousands waited Monday for the start of a military parade in Brussels.

8 African States Offer Kabila Financial Aid

Reuters

KINSHASA, Congo — A group of eight African heads of state has pledged short-term financial support to help President Laurent Kabila rebuild the former Zaire, drained by decades of corruption and neglect.

The leaders of Central African Republic, Eritrea, Namibia, Mozambique, Rwanda, Uganda, Zambia and Zimbabwe met in Kinshasa on Sunday and voiced support for the new leader of Africa's third largest nation, now Democratic Republic of the Congo. Gabon and Ethiopia were also represented at the meeting.

"The heads of states and governments committed themselves to providing, within their means, concrete material and financial support to the Democratic Republic of the Congo," the participants in the summit meeting said.

The leaders said that Congo needed "timely support without attached strings and preconditions to overcome urgent challenges."

Mr. Kabila overthrew Mobutu Sese Seko in May after a seven-month military campaign. Major donors shunned Zaire because of repeated human rights violations and lack of democracy. They have said aid could be restored if Mr. Kabila improved human rights.

Mr. Kabila's government has said it will not make repayments on the country's $14 billion foreign debt for now. It says that a committee will need to examine the debt before talks can be held.

Malawian Will Quit Politics

Reuters

LILONGWE — Malawi's former president and dictator for nearly 30 years, Kamuzu Banda, has told his party he wants to quit politics.

"The time has come to take stock of Malawi's achievements and my role in the country's development," Mr. Banda said Sunday at the main opposition Malawi Congress Party's annual convention.

The former dictator, who was defeated in 1994 by President Bakili Muluzi, is believed to be close to 100 years old and is in poor health.

He said his defeat in the elections was a painful experience and the democratic transition a difficult one.

Critics in Kenya Remain Skeptical as Moi Promises Reform

By Stephen Buckley
Washington Post Service

NAIROBI — A series of dramatic moves last week by Kenya's government gave the appearance that President Daniel arap Moi was backing down in the face of demands for constitutional and other legal reforms. But opposition activists and politicians say that the government's new enthusiasm for reform stems from a desire to strangle, not strengthen, calls for change.

Mr. Moi, in power since 1978, has met with prominent members of the clergy, promised to meet opposition leaders this week, agreed to ease tough laws on public rallies and said he would create a commission on constitutional reform.

The actions "are welcome, but they are piecemeal and half-baked," said the Reverend Timothy Njoya, a Presbyterian minister in the forefront of the reform movement. "They are still not dealing with the presidency. As long as he maintains the kind of power that he does, changing of laws doesn't matter."

Mr. Moi, under whose authoritarian rule Kenya has become one of the poorest and most corrupt societies in sub-Saharan Africa, has a history of political maneuvering and manipulation that makes it hard to determine whether he truly has embraced reform. The president has long been a master of subverting the opposition with just enough concessions to cool protests and tamp down fears of foreign investors and diplomats.

He has declared support for constitutional reforms before. In the spring of 1995, he promised a thorough review of the country's governing document, only to change his mind months later.

Such memories are seared into the collective psyche of the reform movement, and its leaders say they are determined not to be so easily pacified this time.

But Mr. Moi's opponents say his actions could smother public enthusiasm for protests planned throughout the country in the next month. The demonstrations, including a national strike and a day of prayer, will follow a series of protests that have resulted in at least 11 deaths, as security forces have put down the unrest with sometimes brutal force.

In addition, reform movement leaders stepped up their call last week to disrupt elections to be held this year. They said they planned to ensure that even if a vote occurs, the turnout will be too low to make it legitimate.

Mr. Moi is "trying to make the protests meaningless," said Richard Leakey, the famed paleontologist and conservationist who has become a leading political activist here in the last two years. "It's going to be tough for the reform movement to figure out how not to lose the initiative."

Concerning Mr. Moi's proposed reforms, he added: "I don't think it's an entire sham. The question is just how deep it goes."

Reform movement leaders say their skepticism is justified. They note, for example, that of the 17 clergymen with whom the president met early last week, only three are known as outspoken critics of the regime. A number of those present have long been solid supporters of the president.

Leaders of the reform movement are also concerned about this week's planned meeting between Mr. Moi and opposition leaders. The meeting was scheduled after Michael Kinjana Wamalwa, the official opposition leader, and Mr. Moi got together for about 15 minutes Wednesday. Mr. Wamalwa has supported the call for constitutional reforms but has been stained with accusations of wrongdoing in connection with two major financial scandals in the past few years.

"Those are things that have damaged his standing," said Gibson Kamau Kuria, a leading human rights lawyer. "The fear is that all that Moi needs to do to Wamalwa is give him lots of money."

The planned meeting also makes activists such as Mr. Kuria nervous because the opposition in Kenya is among the most fractious in Africa.

The reform movement — a coalition of clergymen, opposition politicians and human rights advocates — has gained momentum in recent weeks in part because the parties have maintained a fragile unity. Mr. Kuria and Mr. Njoya, who was beaten by security forces two weeks ago, say Mr. Moi is seeking to set opposition politicians against the clergy and human rights activists.

"If Moi pushes out the intellectuals, he will gain the upper hand again," Mr. Njoya said. "We are pulling the carpet from under his feet."

Moi critics also allege that he is simply trying to calm foreign governments, which rained criticism on his regime earlier this month.

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Pathfinder Touches Base With Earth

Agence France-Presse

LOS ANGELES — Communications resumed Monday between Earth and the Pathfinder probe on Mars, NASA officials at the Jet Propulsion Laboratory in Pasadena reported.

The Pathfinder had not been able to communicate with ground control for two days.

NASA officials were awaiting information and photographs that the mobile rover Sojourner had collected on the weather and the planet geology but could not send over the weekend.

The flight director, Brian Muirhead, said both the Pathfinder and the Sojourner seemed to be in good condition.

Scientists were trying to figure out what caused the data breakdown.

U.S. Challenges Wine Labeling

The Associated Press

WASHINGTON — Studies have shown that moderate alcohol intake can reduce the risk of heart disease.

But the U.S. wine industry's proposal to refer on bottle labels to the "health effects" of "moderate" consumption has drawn criticism from federal health officials, who suspect it might be a subtle way of encouraging people to imbibe too much.

The Department of Health and Human Services is urging the Treasury's Bureau of Alcohol, Tobacco and Firearms to delay approval of the labels. "The proposal under consideration is a thinly disguised attempt to make an affirmative health claim," said Dr. John Eisenberg, acting assistant secretary for health.

صكذا من الاصل

INTERNATIONAL

Arafat to Meet Israeli in Brussels

But Levy and Netanyahu Have Few Expectations for Talks

Compiled by Our Staff From Dispatches

JERUSALEM — Foreign Minister David Levy of Israel said Monday that he would meet Yasser Arafat at a European Union meeting in Brussels on Tuesday.

But he said he was not expecting much to be achieved.

"I'll meet him and we have things to talk about, but there isn't some sort of expectation for the sake of which I'm traveling all the way to Belgium," he said on Israel's Channel Two news.

Prime Minister Benjamin Netanyahu, meanwhile, said that he was sending a senior adviser to Washington with proposals to end a four-month-old crisis in the peace process with the Palestinians.

"We are working jointly with the Americans and we have some bridging ideas. I believe they're good proposals," a spokesman quoted Mr. Netanyahu as saying to members of the governing Likud party faction in Parliament. He did not elaborate on the ideas.

Israeli-PLO talks, launched with a U.S.-backed interim accord in 1993, have been stalled since Mr. Netanyahu authorized the building of a Jewish settlement in Arab East Jerusalem in March, triggering an eruption of Palestinian protest.

The meeting between Mr. Levy and Mr. Arafat on Tuesday will be the highest Israeli-PLO contact since the two leaders met briefly at a Euro-Mediterranean conference in Malta in April.

On Monday, Mr. Arafat was confronted with problems within his own administration when a committee appointed to investigate charges of official corruption called for the dismissal of several ministers and senior bureaucrats.

Committee members, appointed by Mr. Arafat six weeks ago, were tight-lipped about their findings.

But Majed Mazini, a committee member and high court judge, said: "Some ministers and deputy ministers will have to face accountability. We recommended that there be changes in the government."

There has been speculation that Jamil Tarifi, Mr. Arafat's minister of civil affairs, will be one of the ministers to lose his job over the corruption allegations.

An internal audit in May by the office of the comptroller of the self-governing Palestinian entity, found that $326 million — nearly half the 1997 budget — had been lost to corruption or mismanagement by Palestinian Authority officials.

It was followed by a report from a watchdog group claiming that top officials have systematically abused their positions for personal financial gain.

Tayeb Abdel Rahim, cabinet secretary of the self governing entity, who headed the committee, said it had come up with different numbers from those of the Palestine comptroller.

But he said, "We have found mismanagement not only in areas of finance, but also in administration and legalities."

He added: "Most of the mismanagement came from lack of experience and absence of laws and regulations."

Israeli newspaper and radio reports said Freih Abu Medein, the Palestinian justice minister, had resigned after being implicated in the corruption scandal.

But Palestinian sources said that Mr. Abu Medein submitted his resignation to Mr. Arafat several days ago because he was unhappy about being excluded from decision making in several key appointments. Mr. Arafat refused to accept Mr. Abu Medein's resignation, the sources said. *(AP, Reuters, AFP)*

■ Palestinians Find Bomb Factory

The Palestinian security forces found bombs, bags filled with TNT, Jewish prayer shawls and false beards in a West Bank apartment being used as a bomb-making factory, a police commander said Monday, The Associated Press reported from Bethlehem.

Colonel Kamal Sheikh said that the apartment in Beit Sahour, a village outside Bethlehem, was being used by the Islamic militant group Hamas to prepare a bombing attack. Three Palestinians were arrested, including the owner of the apartment, he said.

Hamas has claimed responsibility for dozens of deadly attacks against Israel, most recently a suicide bombing in March at a Tel Aviv café that killed three Israeli women and the bomber.

Police found 30 kilograms (65 pounds) of explosives, wired to timers, as well as materials for making bombs.

Johnny Eggitt/Agence France-Presse

Ulster Union Party leaders, David Trimble, center, Ken Maginnis, left, and Ian Taylor, going to meet Mr. Blair.

IRA: *Is the Cease-Fire a Leap Toward Peace or a Tactical Move?*

Continued from Page 1

day for a tense meeting with Tony Blair, the British prime minister. Mr. Blair secured the call for the cease-fire that began Sunday by dropping a demand made by his predecessor, John Major, that Sinn Fein could only participate in the peace talks if the guerrillas gave up some weapons at the outset.

Obtaining the truce was a significant diplomatic triumph for Mr. Blair, who has moved rapidly in his first months in office to seek an end to the cycle of sectarian violence that has claimed more than 3,200 lives since 1969.

But it left Mr. Trimble, leader of a party that is as essential to achieving a durable peace as is Sinn Fein, exposed to criticisms from the British that he had been humiliated, and to demands from his own membership and more militant Protestant parties that he exact from Mr. Blair a promise that arsenals be reduced during the negotiations.

Before seeing Mr. Blair, Mr. Trimble accused the British government of "duplicity on a massive scale," but on departing an hour and a half later, he indicated there was possibility for progress, adding that "the prime minister is going to make further explorations of the issues to see what can be done."

While Mr. Trimble is under pressure from militants to insist on favorable terms as a condition for staying in the talks, he risks opprobrium as the person who doomed peaceful negotiations if he takes a walk. He must also act in the awareness that such a step would lend the image of peacemaker to his chief opponent, Gerry Adams, the Sinn Fein president who is the political leader of a group with a history of terror.

There will be a vote Wednesday on the procedures for setting up separate parallel talks on disarmament. The peace talks are due to resume Sept. 15 with the goal of an agreement by May. That accord is then to be put to parliamentary and public votes in Britain, Northern Ireland and Ireland, a so-called triple lock procedure taken in the name of assuring people that no settlement will be imposed on them from the outside. If the process makes it to that point, the participating parties will take up the matter of squaring two positions with little consonance.

Sinn Fein is dedicated to expelling the British from Northern Ireland and merging the province with the Republic. The parties representing the Protestant majority want Northern Ireland to remain part of the United Kingdom and abhor any further approximation to Dublin. The Irish government gained consultative power in the North in the Anglo-Irish agreement of 1985 that Protestants protested then and resent now.

Mr. Blair went to Belfast shortly after the May 1 election and said he did not expect to see Northern Ireland leave Great Britain in his lifetime. Mr. Adams has said that Sinn Fein might consider "interim arrangements" short of complete unification.

A borderless Irish island is a highly unlikely outcome of the negotiating process being readied for September. The question then becomes much the same as the one on people's minds today. Does the IRA accept something short of its historic objective or does it return to its historic method of making its point: armed struggle.

FRANCE: *Tax Increases, Stiffer Than Expected, Jolt Industry*

Continued from Page 1

Eric Chaney, senior economist at the Paris office of Morgan Stanley, said the spending cuts announced were "not specific enough to be fully credible" and added that "there is no guarantee that spending cuts will be as high as expected." Mr. Chaney, a former French Treasury official, termed the entire package "bad news for corporate investment and the stock market" and said "the bottom line is that the French Socialists want France to qualify for monetary union and are asking companies to pay for it."

Mr. Strauss-Kahn said the new measures would shave four-tenths of a percentage point off France's deficit-to-GDP ratio, implying that the level would drop to 3.1 percent to 3.3 percent this year. He refused to say whether Paris would achieve the 3 percent deficit target this year, but insisted that France would join Germany and other European nations in introducing the euro on schedule in 1999.

Most economists are predicting a 1997 ratio of 3.3 percent to 3.5 percent, but they expect France to be allowed to join monetary union even if its deficit is higher than 3 percent. The issue of just how far beyond 3 percent France will be allowed to go is likely to be a decision facing European Union leaders next year when they meet to agree on which nations will participate in the euro.

In a pointed reference to Germany, also struggling to bring its deficit down to 3 percent, Mr. Strauss-Kahn said Monday that France would meet the Maastricht treaty criteria "in the same conditions as its partners."

"What Strauss-Kahn is telling Germany is 'Don't criticize us because your problems are as bad as ours,' and in fact this is a package the Germans will find hard to criticize," said Julian Jessop, senior economist at Nikko Securities.

Ms. Cottrell of PaineWebber said that Mr. Strauss-Kahn's remarks would "create more headaches for Chancellor Helmut Kohl, who is already facing hard-liners who want Bonn to get its deficit down to 3 percent this year."

She said, "The paradox is that this is a French audit and a French budget move but one of its major effects is in Germany, where you have a very weak government that France is making even weaker because it is raising awkward questions like what happens if Germany makes 3 percent and France doesn't."

In Munich, Germany's finance minister, Theo Waigel, was guarded in his remarks. He acknowledged the French political will to meet Maastricht conditions, but stressed that the final outcome was not yet clear.

"We do not know today what will happen in the end," he said. "France is taking care of this and is aware of its responsibility not to stop at 3.5 or 3.6 percent of GDP."

Mr. Waigel said the tax increases were "not very pretty" but he praised France for trying hard to meet single currency terms. The tax increases and spending cuts, he said, would have genuine consequences.

Mr. Gandois of the French industry association said that the increases would be justified only if they helped France to qualify for monetary union. The creation of the euro, he said, "is effectively an essential objective, as long as French companies do not arrive exhausted."

FLOOD: *An Area of Death, Misery and Odors*

Continued from Page 1

ing their own way around. Hallways were dark as night. The building had no electricity, no working phones and, save for a few mobile phones, no way of coordinating work from office to office.

More worrisome news developed with the hour. By Monday afternoon, flood experts who are charting every raindrop in the region said a fresh burst of rain, from the Sudetan Mountains, had again added to the Oder River.

That flood water is expected to surge toward the flatlands of lower Silesia by Wednesday or Thursday and, most significant for the thousands of people who once relied on Mokry Dwor for tap water, right up to the water plant.

The new flood is not expected to top the high-water marks clearly seen on building or fences in this city.

But it will add to the disaster by adding more water to an already-submerged region.

At Mokry Dwor, that adds weeks to their timetable of restoring water to the fourth-largest city in Poland.

In the last two days, government officials have trundled 200 soldiers to Mokry Dwor on a mission to raise a fortress of sandbags walls around the critical plant. But it is clear that the city now will have to rely on a smaller plant in Wroclaw that suffered little damage.

That means, water officials said, that fresh water will be restored to only the most urban areas of this region — and even that will demand water rationing. No one would hazard a guess when fresh water would flow from household taps.

"We had pumps that were supposed to pump water out," the Mokry Dwor manager said. "But they're under water too. Right now, it's like we're a bathtub. The problem is the water has no where to go."

It is clear that officials from Warsaw, as well as municipal authorities around Wroclaw, are struggling to wrest control over what is the worst natural disaster there this century.

Flood waters apparently overwhelmed a new sewage treatment plant and massive trash dumps outside the city.

Monday, managers from Wroclaw's water treatment firm said the sewage treatment plan was still unusable but they had found a sure method to push the sewage out of Wroclaw: They were dumping it into the Oder.

"Our priority is to get the pipes clear," said Leszek Karwowski, a manager for the Municipal Enterprise for Water Supply and Sewage System that supplies water and sewer service here. "All the sewer water is going into the river now."

Mr. Karwowski said the sewer water would move quickly onto Szczecin, on the west Polish border with Germany, and then into the Baltic.

He said he did not consider the water a danger, although published reports here indicated that "huge amounts" of bacteria had been found in tests.

ASIANS: *Wave of Currency Turmoil Spreads to Other Countries*

Continued from Page 1

cent. It was the rupiah's biggest one-day fall in at least five years. In New York, the dollar later eased to 2,510 rupiah. Indonesian stocks fell 1.6 percent on the currency news, as investors feared that local companies' foreign borrowing costs would rise.

Indonesia has been considered relatively resistant to currency pressure because of the central bank's policy of depreciating the rupiah by about 4 percent a year. Speculators "short" the currency by borrowing and selling it, hoping to make a profit by buying it back at cheaper levels.

Elsewhere in Asia, two of the region's strongest currencies were either under attack or taking preventive measures against speculators.

The Singapore dollar, which speculators attacked last week, fell further, to its lowest level against the U.S. dollar in 31 months. In New York, the U.S. dollar was trading at 1.4660 Singapore dollars, up from 1.4595 dollars.

In Hong Kong, where the local currency is pegged to the U.S. dollar, the monetary authority raised its overnight lending rate by 1.125 percentage points and its three-month rate by 0.6875 percentage points after the Hong Kong dollar fell slightly Friday.

The currency was steady Monday and even rose after the rate increase, which analysts said was an advance strike aimed at speculators.

"I think this is a preemptive action smelling irrational forces at play," Mr. Sundberg of Salomon said.

In New York, the dollar was quoted at 7.7498 Hong Kong dollars, up from 7.7495 dollars.

Hong Kong has what would be the toughest currency in the region for speculators to attack. Together with the People's Bank of China, it has more than $177 billion in foreign currency reserves pledged to support its currency.

Unlike other Asian countries, moreover, Hong Kong does not have a current-account problem. By most estimates, it runs a current-account surplus. After moving into deficit for the first time in almost a decade in 1995, Hong Kong's trade balance went back into surplus in 1996, economists say, and is expected to remain positive next year.

The Hong Kong dollar also would be difficult to break because it is not widely held. Banks such as Hongkong & Shanghai Banking Corp. that hold the billions that would be needed to break the currency peg have no interest in seeing a lower Hong Kong dollar, because so many of their assets are denominated in that currency.

BRIEFLY

100 Reported Killed in Algeria

ALGIERS — Government security forces killed about 100 Muslim militants during a raid on a clandestine meeting south of the capital, French television reported Monday.

LCI television said the raid on the Armed Islamic Group occurred in the rugged Ataba region. It did not say when the operation took place.

Separately, Interpol, the international police agency, said it would hold an African regional conference in Algiers from Aug. 7-10. *(AP, AFP)*

Deaf Mexicans Enslaved in N.Y.

NEW YORK — Law enforcement officials say a smuggling ring cracked over the weekend sneaked scores of deaf Mexicans across the border, hid them in safe houses in California, flew them to New York and forced them to work as trinket vendors in the subways.

On Sunday morning, 57 of the Mexicans, including 12 children, ate at a hotel restaurant as immigration authorities determined that almost all were illegal immigrants.

Seven Mexicans were arrested and charged with smuggling-related offenses. An eighth suspect, Reinaldo Paoletti, whom the authorities said they considered the ringleader, is still being sought in the United States and Mexico. *(NYT)*

Saudis Cite Air Crash Findings

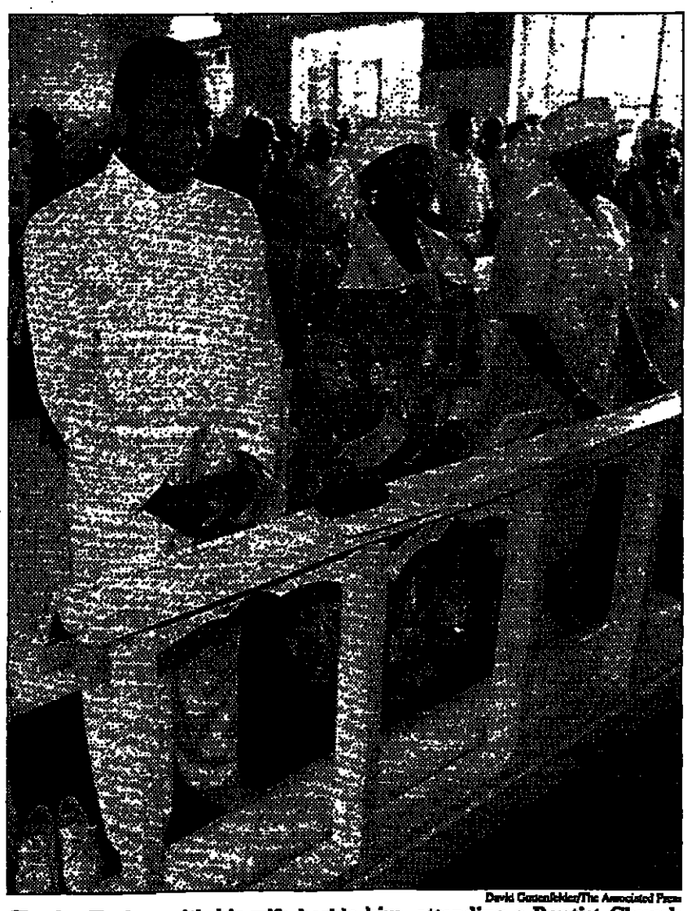
RIYADH — Saudi Arabian Airlines said Monday that it had been innocent in the world's worst midair collision, the Nov. 12 crash near New Delhi that killed 349 people.

The final report of the Indian inquiry, based on studies of the flight recorders from the crash, found that the Kazakstan Airlines Ilyushin-76 jet was to blame for the collision because it had descended to the same altitude as the Saudi Boeing 747, the airline said.

"The final findings proved that Saudi Arabian Airlines was not responsible even in the slightest manner in causing the accident," it said. "Rather it was a victim. Its flight crew could do nothing more to avoid the accident."

The report is to be presented to the Indian Parliament on Thursday. *(AFP)*

VOTE: *Liberian Leader Lost the War, but May Have Won the Battle for Election*



David Gaston-Rekler/The Associated Press

Charles Taylor, with his wife beside him, attending a Baptist Church service in Monrovia as he awaited the results of the Liberian election.

Continued from Page 1

Mr. Taylor's forces, which included gun-toting children.

In addition, Mr. Taylor has bitter enemies among Liberia's Krahn and Mandingo ethnic groups, and the commander of West African peacekeeping forces deployed here announced Sunday that a government official, a Krahn, had confessed to participating this summer in a plot to kill Mr. Taylor.

He said the man had repented and had been released after Mr. Taylor forgave him.

International election observers withheld final assessments of the vote pending the completion of the count, but said it appeared so far to have been conducted fairly.

But Mrs. Johnson-Sirleaf accused peacekeeping soldiers of casting votes for people too confused to vote themselves and of beating members of her party who objected, The Associated Press reported. She said she would challenge the vote.

Observers from the United Nations, the European Union and other groups had high marks for the way the balloting was conducted. Still, the control that Mr. Taylor's faction exercised in much of the country gave him huge advantages during the campaign.

For years, his forces have run a quasi-government in much of the country, financing it by selling off the riches of Liberia's mines and forests. But a Taylor victory will have been won with more than his war booty. Mr. Taylor's persona as a powerful leader appealed to many who believe the country needs a firm hand after seven years of fratricide.

A political analyst suggested last month that while a government run by Mrs. Johnson-Sirleaf would be more honest and efficient, a Taylor administration might offer other hope of reviving the crushed Liberian economy. "A main disease of this country is an insular complacency," said Bill Frank Enoanyi, a columnist and public relations consultant here.

While Mr. Enoanyi said he did not favor a Taylor presidency, he added that Mr. Taylor "is a hard-driving person" who could "jolt Liberians to work."

Mr. Taylor came to prominence as head of the government's General Services Administration under President Samuel Doe, who took power in a coup in 1980. When President Doe accused Mr. Taylor of embezzling $900,000 in 1983, Mr. Taylor fled to the United States.

He was arrested after President Doe applied for his extradition, and a U.S. investigation found evidence to support the embezzlement charge. But before his extradition was decided, Mr. Taylor broke out of a Massachusetts jail. He was reported to have spent time in Libya before turning up at the head of a rebel force that invaded Liberia from Ivory Coast on Christmas Eve 1989.

His insurgency reached the gates of the presidential palace in 1990, but Mr. Taylor was denied power that year when a West African peace force was dispatched to Liberia and a rival faction seized President Doe and killed him.

Albania President Calls Parliament

Reuters

TIRANA — President Sali Berisha of Albania on Monday issued a decree convening the first session of a new Parliament for Wednesday, but his Democratic Party said it would not attend.

Mr. Berisha has repeatedly said he would resign once the Parliament is in place but his statement gave no indication of when he planned to step down.

Mr. Berisha's Socialist opponents, who won a big majority in the June 29 elections, warned Sunday that if he failed to issue the decree, they would call the first session themselves.

KOREA: *Party's Choice*

Continued from Page 1

Gymnastics Stadium.

Mr. Lee is best known for quitting as President Kim's prime minister in 1994 to protest curbs on his power, saying he was bypassed by aides to Mr. Kim when formulating important policies.

By standing up to the president, he strengthened his reputation as being independent and refusing to compromise his beliefs.

Mr. Lee had been appointed in December 1993 by President Kim as prime minister to lead the president's reform campaign.

"Lee was a difficult figure to handle but President Kim again appointed him as party chairman in March to restore the ruling party's image," said Shin Jung Hyun, a political science professor at Kyunghee University.

In the first round of voting, Mr. Lee received 4,955 votes in a six-way race, but failed to win a majority. That led to a runoff with Governor Rhee In Je of Kyongki Province.

In the runoff vote, marred by accusations of vote-rigging and smear tactics as losing candidates sought to redirect their share of the votes to Mr. Rhee, Mr. Lee won, 6,922 votes to 4,622.

This nomination race was the first in which the incumbent president did not designate a successor, but instead called for a free election by the national convention.

Mr. Lee is expected to face Kim Dae Jung, 72, head of the leading opposition party, National Congress for New Politics, and Kim Jong Pil, 71, of the United Liberal Democrats.

Herald INTERNATIONAL Tribune
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Diplomatic Geometry

Almost everyone can agree that the structure of United Nations bodies somehow should reflect the changes in number and weight of states that have come about since the organization was founded a half-century ago. The most egregiously misshapen, the Security Council, reflects the geopolitical realities in effect at the end of World War II. But since bringing new members into international diplomacy's most charmed circle offers more power to some, it may mean less power for others, not least the United States. This is what makes the diplomatic geometry of Security Council reform the tricky thing it always is.

The issue is currently in active play. The United States is supporting permanent seats on the Security Council for Germany and Japan, now industrialized democracies, and for three developing countries.

So far so good. But it is avoiding early commitment on whether it might favor giving some or all of these five a veto. The veto matters because the council actually deals with high-profile issues of peace and security; the General Assembly is a one-state, one-vote, no-veto talk shop. Currently a veto is wielded in the council only by the five existing permanent members (the United States, Russia, China, Britain, France). Washington is far readier to set a few extra chairs at the council table than to loosen up on the key veto power.

This is the right approach, but it is not without its complications. Even before the particular shadow of Jesse Helms began to fall across UN issues, Washington insisted on a structure favorable to U.S. interests. Some would say it did so in arrogance. We would say it did so on the basis of a privilege fairly earned by the postwar American contribution to global peace and stability.

All this is a bit awkward to say right now while Americans are having their own argument about what part the United Nations can and should play in serving American purposes. Nonetheless, it remains true that the United States has broad interests in the world and that it is to the advantage of many other nations and peoples that the United States be able to defend those interests. Not to accumulate power but to play a responsible role in the world: This is the standard by which to address Security Council reform.

—THE WASHINGTON POST.

Reintegrating Europe

How to reintegrate that half of Europe which for 50 years was trapped behind the Iron Curtain will be a central challenge to Western policymakers for years to come. NATO's recent invitation to three new members is one early step in the right direction. Now the European Union similarly has reached out to five formerly Communist nations. The expansion of both alliances — one primarily military, the other primarily economic — is essential to stability.

The scope of the challenge is made clear by the astonishing statistic that all 10 formerly Soviet-bloc nations of Eastern and Central Europe would increase the European Union's population by a third but its economic strength by only 5 percent. Even before World War II, the nations of Eastern Europe lagged behind those to the west, and the gap widened hugely during a half-century of Communist misrule. Now equality is decades away, even for those newly freed nations that implement the most virtuous of economic policies.

Their relative poverty is a potential burden to the West. This will be a theme of the NATO enlargement debate, as U.S. senators question the cost of expansion and Western allies squabble about who will bear what share. It is similarly a question for the European Union, whose members jealously guard their EU subsidies as they fret about competition from cheaper labor and farm goods from the east.

Yet successful integration is essential, to the United States as to Western Europe. This century's two world wars started in this in-between region. Weak and poor, it will again invite uncertainty. Prospering, it will offer a valuable market to the West and an encouragement to democrats further to the east.

The European Union's slowness in reaching out is a disappointment. Its naming of five potential candidates leaves out another five, including worthies such as Lithuania and Romania. (Turkey, never Communist, also should be on the list but is not.) Membership for the lucky five is unlikely for at least five years, and that is considered optimistic; the other five may have to wait a decade or more, officials say. And already eight years have passed since the Iron Curtain began to lift.

Yet naming five at least is progress. Reassuring, too, is the European Union's decision, after great debate, to reach out to the Baltic nation of Estonia, as well as to Slovenia and the three NATO candidates of Poland, Hungary and the Czech Republic. Now some European officials are wisely pressing for a transitional forum for all these nations, to encourage and reward progress and make clear that all eventually will be included. The process won't be easy. But NATO and EU expansion, mutually reinforcing, are not a matter of charity. Successful transformations in the east are essential to continuing prosperity in America and in Western Europe.

—THE WASHINGTON POST.

Gingrich and Friends

When it comes to providing summertime fun, you have to hand it to the House Republicans and their gift for snatching soap opera from the jaws of victory. Less than three years ago, Speaker Newt Gingrich's promise to change Washington forever made him the hero of the Republican majority and particularly of the fire-breathing ideologues who made up the Republican class of '94. But between 1994 and 1997 Mr. Gingrich managed to make himself as unpopular with fellow Republicans as he has become with the American people.

The same freshmen who once formed the Gingrich cheerleading squad brewed up an attempted coup on the night of July 11. Mr. Gingrich's most trusted aides — Dick Armey, Tom DeLay, John Boehner and Bill Paxon — formed a plan to save him by subversion. They would meet with the rebels to find out their secret plans. This is where the story gets good. The more they listened to the coup makers' scheme to dump Mr. Gingrich, the better it apparently sounded to them.

Before you could sing "Midnight Train to Georgia," the save-Gingrich mission had morphed into an elect-Armey mission. When Mr. Armey became speaker, Mr. Paxon would step up to majority leader. There was also talk of Mr. Paxon as speaker.

Details are murky. By some accounts, Mr. Armey backed out. By others, the plotters decided that replacing Mr. Gingrich with a man who is more ideological and looks meaner on television was not so smart. In any event, Mr. Armey stuck with Mr. Gingrich, permanently damaging his credentials with the dissidents. Upon discovering that he was surrounded by dangerous buddies, Mr. Gingrich stewed for a week and finally decided on Thursday to fire Mr. Paxon from his leadership post. Mr. DeLay may be next to go. Mr. Armey and Mr. Boehner have survived by denying fiercely that they encouraged the coup.

Republican handicappers make several predictions based on these events. Now that dissatisfaction with Mr. Gingrich is out in the open, he will be lucky to serve out his term until 1998. Mr. Armey's chances of eventually being speaker may have been wiped out now that he has disappointed the young lions. Mr. Paxon and an uninvolved bystander, John Kasich, are both potential candidates to succeed Mr. Gingrich, either in due course or in the next coup.

Since the House Republicans have day jobs (i.e., helping run America), all this has some implications for the citizenry. Chiefly, Bill Clinton has a better chance to shape the budget deal and to veto the Republican tax plan.

But for the moment there is no harm in savoring the ineptitude of it all. For example, an activist group chose Friday to send out a press release headlined "Gingrich, Lott to Rally Young Conservative Activists on the Hill." The Hill conservatives are rallying all right, but in regard to Mr. Gingrich they look a lot like a lynch mob.

—THE NEW YORK TIMES

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A China Policy Requires an Indonesia Policy

By Thomas L. Friedman

JAKARTA — When all is said and done, the Clinton foreign policy is going to be judged very heavily by how well it manages the two great historical transitions now under way: the decline of Russia and the rise of China.

For now, Russia's decline is going relatively well (thanks to Boris), but the rise of China is another matter. It is critical that China's rise at the close of this century be handled better than Japan's rise at the start of this century, since Japan's emergence as a powerhouse led to three wars in Asia.

But there is no way the United States can manage the rise of China alone, or even with Japan. And that brings me to Indonesia. Indonesia has played one of the most important, but least understood, roles in managing China's rise.

This is not only because with its 200 million people Indonesia is second only to China in weight in Southeast Asia, but also because Indonesia is the keystone of the Association of South East Asian Nations. ASEAN isn't NATO or the European Union, but it does a pretty fair imitation of both.

ASEAN, which next week celebrates its 30th anniversary, would never have been created without Indonesia and without the policy that President Suharto initiated when he took power from President Sukarno in 1965.

Mr. Sukarno believed in an Indonesia that bullied its neighbors, sparking constant disputes. Mr. Suharto preferred to do business with them instead, while focusing on Indonesia's internal development. So he formed ASEAN, as an economic-trade association, comprising Indonesia, Malaysia, Singapore, the Philippines, Thailand and Brunei, and he transformed Indonesia's foreign policy from bully to gentle giant. Indonesia today has a defense budget two-thirds that of tiny Singapore.

"Ever since ASEAN was formed this region has entered into an unprecedented period of stability and economic growth," Indonesia's foreign minister, Ali Alatas, said to me. "And I think it's not too much to say that ASEAN was formed because of Indonesia — because a new government came in which renounced the earlier policy of throwing our weight around."

ASEAN was also a de facto security alliance, designed to block communism from Hanoi. But in the last decade it quietly shifted from balancing North Vietnam to balancing China (and Japan). That transition was formalized last year when Vietnam, the most powerful and historically anti-Chinese force in Southeast Asia, was added to ASEAN.

This year ASEAN is adding the remaining loose pawns on the chessboard before they fall too heavily under China's sway, namely Burma, Laos and Cambodia (if it gets its house in order).

China's Asia strategy is to deal with everyone bilaterally so that its weight can be used to maximum advantage. This is particularly true when pressing claims to oil fields in the South China Sea that are also claimed by ASEAN members. But by using solidarity as a substitute for military power, ASEAN has forced China to deal with its members as a group. When the Philippines found itself in a dispute with China over the oil-rich Mischief Reef, ASEAN stood behind Manila and swayed China into a dialogue on the issue. It helps, too, that ASEAN nations are among the biggest investors in China.

"Although strategically ASEAN is not a cohesive military entity, China cannot challenge any one of these states without having a problem with all of them," said Juwono Sudarsono, Indonesia's leading strategic analyst.

"And as long as China's internal economic problem is so massive, it can't just assert its military might unilaterally. It needs the goodwill and investment of its neighbors" — particularly Indonesia, which controls the straits through which a growing China will soon have to import tons of oil from the Middle East.

With ASEAN, Japan and the U.S. 7th Fleet each balancing China in its own way, the world stands a much better chance of seeing an emerging China that settles regional disputes through dialogue, not force.

But there is no ASEAN without Indonesia. The United States has some real problems with Indonesia today on labor and human rights. America cannot ignore Indonesia's abuses. But they also cannot be the only lens through which Indonesia is judged.

The best U.S. policy here would be one that carefully targets — and when necessary sanctions — specific Indonesian domestic abuses, while also supporting Indonesian foreign policies that have contributed so heavily to stability in this region. Without an effective Indonesia policy, the United States will never have an effective China policy.

The New York Times.

Good Reasons for Washington to Start Talking With Tehran

By Richard W. Murphy

WASHINGTON — With Mohammed Khatemi taking office as Iran's new president on Aug. 2, it is time for the United States to rethink its relationship with the largest country in the Gulf region.

We have been steadily, at times violently, at odds with the Iranian regime since 1979. Our distaste for Tehran's revolutionary clerics started with the embassy hostage crisis that same year. The Iran-contra episode in 1986 convinced most U.S. policymakers that dealing with Iran inevitably meant embarrassment for America.

We still have real problems with the regime over its support for international terrorism, its nuclear weapons ambitions and its opposition to the Arab-Israeli peace process. It is now clear, however, that we will make little progress on these issues unless we engage the Iranians in serious high-level negotiations without preconditions.

I propose that in the coming months the United States offer the Iranians talks at the level of deputy secretary of state or undersecretary of state. Such talks would put our exchanges on a new footing, granting the Islamic regime a legitimacy that we have withheld until now.

Our current policy of containment boils down to shunning Iran as a "rogue regime." This is not viable for the long run, and it does not take into account the complex and often positive Iranian roles in Central Asia and the Middle East.

In Tajikistan, for example, the Iranians helped mediate last month's peace agreement between the belligerents in the civil war; Iran is also a guarantor of the agreement.

In the case of the Gulf War, the Iranians opposed the Iraqi invasion of Kuwait and have supported UN Security Council sanctions imposed on Iraq.

The election of a new president affords the opportunity to establish a productive dialogue.

Washington was surprised when Mr. Khatemi won an overwhelming 69 percent of the popular vote on May 23. The regime's preferred candidate, Ali Akbar Nateq-Nouri, the speaker of Parliament, was expected to win. Mr. Khatemi's victory was a protest vote against the regime and a generalized expression of hope for social and economic change (less ideology, more jobs) sought primarily by Iranian women and youth.

U.S. economic sanctions have probably played some role in pressuring the regime and at the same time impoverishing the population, but the major factors depressing the economy have been the regime's corruption and mismanagement.

It is wrong to conclude that Mr. Khatemi won because of U.S. containment policy, and that all we need do is keep the pressure on to "help Khatemi." Through direct contact we will be better able to anticipate events while continuing to operate as the dominant power in the world and in the Gulf.

Khatemi's recent statements have been strikingly conciliatory toward the West.

Improvement in relations between the United States and Iran will be slow and difficult to achieve, but it could benefit both countries as well as the Middle East as a whole. Until we probe, we cannot know what substance there is behind the indications that Mr. Khatemi's election could lead Iran to more normal dealings with us.

It will not be easy to bring about change. Mr. Khatemi's freedom to alter Iran's approach may be limited. His domestic critics will say that we still seek the overthrow of the Islamic regime and intend to block its rightful role in Gulf security.

Nonetheless, while it is early to talk of an Iranian warming toward us, Mr. Khatemi's recent statements have been strikingly conciliatory toward the West. His cabinet choices will provide some concrete evidence of whether he has the necessary mandate from Iran's supreme leader, Ayatollah Ali Khamenei, to make revisions in foreign and domestic policy.

President Bill Clinton has expressed hope for improved relations. But his flexibility is constrained by legislation sanctioning Iran as a "state supporting terrorism." He must also heed Israel's concerns and those of some of our Arab allies.

Another stumbling block is the ongoing investigation into allegations that Iran was involved in last year's Khobar bombing in Saudi Arabia, which killed 19 American servicemen. That investigation may end with no clear conclusion as to responsibility. If the evidence proves official Iranian authorship, our relations will return to the freezing point.

Mr. Clinton's statement after the election was the most gracious about Iran in many years. Describing the vote as a reaffirmation of the democratic process there, he said he had "never been pleased about the estrangement between the people of the United States and the people of Iran ... who are a very great people."

However, he also cited concerns about support for terrorism, violent subversion of the Middle East peace process and acquiring nuclear weapons.

Eventually, all U.S.-Iranian differences must be discussed. A promising place to begin might be a quiet exploration of our allegations about Iran's nuclear weapons ambitions.

Late last month, General Binford Peay, who heads the U.S. Central Command, which has responsibility for American forces in the Gulf, estimated that Iran could have nuclear arms by the end of the century. This estimate may not represent a full consensus among administration experts, but it is one measure of the urgency felt in Washington about this problem.

There can be no effective arms control in the region unless Iran participates.

Iran is a signatory to the nuclear nonproliferation treaty and has made positive statements about its readiness for international inspections. Negotiators can build on this.

Arms control is another reason to take advantage of a potential opening for dialogue. The Arab-Israeli peace process set up by the 1991 Madrid conference provided for multilateral talks on arms control. These talks excluded Iraq and Iran. The negotiations have been stalled for the past two and a half years because of the Egyptian demand that Israel agree to discuss its own nuclear program.

Whenever these talks restart, it must be recognized that there can be no effective arms control regime in the region unless Iran and, eventually, Iraq participate.

Any sustained diplomatic engagement with Iran would face congressional opposition. For more than a decade, not a single U.S. representative or senator has visited Tehran. The swift passage of the Iran and Libya Sanctions Act of 1996, meanwhile, owed much to the still unexplained explosion of TWA Flight 800 a few weeks earlier.

Americans who favor maintaining the U.S.-Iranian status quo assert that no new engagement is necessary. They say Iran has known for at least a decade what it must do to improve relations with the United States, and that appropriate diplomatic channels remain open for Iranian use. This is only half true.

I helped prepare the State Department's post-Irangate formulation in the late 1980s. The United States was ready, we said, to have a dialogue about our differences with an "authorized Iranian representative." This was designed to prevent the kind of unauthorized back alley negotiations that backfired so disastrously in the Iran-contra scandal.

After more than a decade of repetition, coupled with our harsh public rhetoric about Iranian actions and intentions, this invitation is unpersuasive. High officials in Tehran likely assume that all we have in mind is a meeting where we would present our charges and tell them to return when they have corrected their behavior.

For different reasons, Israel and some of our major Gulf Arab allies have been comfortable with our policy toward Iran to date. Some of them will be uneasy if we try to warm up the U.S.-Iranian relationship.

The Israelis worry about Iran's nuclear ambitions and long-range ballistic missile program. They also accuse Iran of sponsoring violent opposition to the Arab-Israeli peace process. We share these concerns, both of which can best be dealt with in the context of open dialogue.

Our Arabian Peninsula allies worry that Iran's power relative to Iraq has grown since the Gulf War. A majority of Gulf Arab leaders agree that the Islamic Republic has been more aggressive toward them than the shah was. "Smile and subvert" is how one Arab foreign minister described to me Iran's policy toward his country.

Yet several Gulf Arab leaders have told me privately that they concur with the proposition that improved U.S.-Iranian relations would be in their countries' interest.

Although they welcome our support and although Desert Storm reinforced America's credibility as their guarantor against external aggression, they do not know how long we will stay around, and they are condemned to live with Iran as their neighbor.

Iranian leaders see their country as the major Gulf power. Their ambitions for Gulf leadership match the shah's. They resent our hegemony in the region. They want us to withdraw our forces but know that it is not going to happen.

The writer, a senior fellow at the Council on Foreign Relations, was U.S. assistant secretary of state for Near Eastern and South Asian affairs from 1983 to 1989, and earlier served as ambassador to Syria and Saudi Arabia. He contributed this comment to The Washington Post.

What Would Guevara Say Today?

By Tina Rosenberg

NEW YORK — Thirty years after his assassination in the Bolivian mountains, Ernesto Guevara has captured the public fancy in ways he never intended. At least three biographies and several movies about Che will come out this year.

The silk-screen Che icon with beard and beret now hawks compact discs, beer, Swatch watches, skis, designer dresses and a host of other products not traditionally associated with international communism.

Scientists have now found his body, one of seven skeletons in a pit in Bolivia, and brought it to Cuba.

What would a Che alive today make of all this? He might not approve of the commercialization of his name and image, but if the ideological migrations of his comrades are any indication, he would be firmly in the capitalist camp.

Unlike his body, his politics remain entombed. Armed, leftist revolution is found only in Cuba and in a few violent but tiny bands in Colombia, Peru and now Mexico.

In Europe and the United States, Che's image owes its commercial appeal to the absence of political content. Yuppies who would never have worn a Che T-shirt when it could have been taken seriously now find Commiekitsch hip and ironic.

In Latin America, many still admire what they see as Che's idealism. While he was capable of great brutality, to them he was also uncorrupted by power, happier suffering in his disastrous attempts to foment revolution in the jungles of the Congo or Bolivia than as a bureaucrat in Havana.

But his politics are long gone. The old revolutionaries are now closer to European-style capitalism than anything Che ever preached.

Chileans reacted with amusement a few years ago when Carlos Ominami, economy minister of the democratic government that came to power in 1990, proudly announced a record year of foreign investment. Foreign capital was Mr. Ominami's enemy when he was a guerrilla of the Leftist Revolutionary Movement two decades earlier. Chile's revolutionaries are now largely social democrats, as are the vast majority of Latin America's former guerrillas.

In Colombia, Venezuela, Guatemala and El Salvador, guerrillas have come down from the mountains to found reformist political parties, some of which are now indistinguishable from the competition. The Sandinistas in Nicaragua ran in last year's elections on a free market platform.

In Argentina and Uruguay, survivors of guerrilla groups decimated by death squads now support social democratic political movements. All these groups advocate a version of what Jorge Castañeda, a Mexican political scientist, calls "Rhineland capitalism" — the welfare state, strong unions and high tax burden of Germany today.

The guerrillas have been transformed by time. Middle-class kids are revolutionaries at 20. Middle-class men of 50 are anything but.

There is no new generation to succeed them because Latin America, too, has changed. The military dictatorships that most of the guerrillas battled gave way to nominal democracy in the 1980s.

Even before the Soviet Union collapsed, depriving the left of weapons, cash and ideological backing, revolution had proved unsustainable except through the intense repression in Cuba, a model that gave many leftists pause. Since the 1960s, left and right in Latin America have converged on the goal of what revolutionaries once scornfully derided as bourgeois democracy.

That goal is not yet within sight. While the left's solutions to Latin American poverty and injustice have changed, by many measures the problems are worse today than when Che died. The poor form a smaller percentage of the population of Latin America than they did, but there are 50 million more living in poverty now than in 1965. The Mexican minimum wage, earned by 17 million people, buys a quarter of what it bought 20 years ago.

All that West Europeans enjoy — like a living wage, the rule of law, access to justice, schools and hospitals — seems as fantastical to most Latins as any revolution Che Guevara ever dreamed up.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Tate Gallery

LONDON — The National Gallery of British Art at Millbank, which will be popularly known as the Tate Gallery, was opened by the Prince of Wales with a ceremony as pleasant as could possibly be arranged. A gold key, bearing the Prince of Wales's feathers, was presented to the Prince by Mr. Tate, and he at once placed this in the lock of the handsome teak doors which opened. The Prince expressed to Mr. Tate the obligations of the nation to him for his magnificent gift and finally declared the gallery open to the public for ever.

1922: 'War Babies'

PARIS — It has been found in England that "war babies," children born during the great world upheaval, possess peculiar temperaments. This is easy to understand. Prospective fathers and mothers were subjected to the severest imaginable nerve strain. If many of them have themselves been afflicted with nervous troubles and with mental irritability since the Great War, why should not the children, whose existence was begun at that time, be similarly affected?

1947: Dutch 'War'

BATAVIA — Dutch troops, planes and ships struck swiftly against Indonesian Republican strongholds in what the Netherlands authorities termed "police action" to restore quiet to the politically-torn East Indies. The Republic's Premier, Amir Sjarifoedin, accused the Dutch of waging "a colonial war." The Republican Deputy Premier, speaking in the house in which the Indonesian Republic was proclaimed on August 7, 1944, pleaded that the consuls of Britain and the United States heed the Indonesian protest against actions of the Dutch.

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OPINION/LETTERS

Republican Revolution Turns Against Gingrich

By E. J. Dionne Jr.

WASHINGTON — Newt Gingrich's Republicans took over the House of Representatives in 1994 not because Americans shifted their views sharply to the right, but because Democrats had controlled the place 40 years and looked ineffectual, divided, in some instances corrupt and incapable of coherent action.

Now along come the Republicans with their Thursday Morning Massacre, a political spectacle that even Democrats, notorious for stab-in-the-back divisiveness, never managed in all their years in power. The Republicans are into stab-in-the-front politics, complete with a secret but well-leaked botched coup attempt against Mr. Gingrich that inveigled the rest of the party leadership.

The sound bites from the leaders who were, in one way or another, complicit in the effort to bring down Mr. Gingrich needed translation from political English into plain English. When they said, "We fully support Gingrich and had nothing to do with this," what they meant was, "We tried to bring him down, didn't have the votes and so we're ducking for cover." Said one pro-Gingrich House Republican of the secretly anti-Gingrich leaders: "They were all in it for anywhere from 15 hours to 50 hours."

Only Representative Bill Paxon, Republican of New York, took responsibility. He had to.

Once one of Mr. Gingrich's closest allies — he had been appointed chairman of the House leadership by Mr. Gingrich himself — Mr. Paxon emerged as the choice of the dissident Republicans as the speaker who would replace Mr. Gingrich. If you want to know how Mr. Gingrich feels, think of one of your best friends, whom you helped promote, trying to take away your job.

By most accounts except for his own, the House majority leader, Dick Armey, lost interest in the anti-Gingrich plot only when it became clear that Mr. Paxon, not Mr. Armey, was the choice of the rebels to become speaker. "Armey was interested if he could be the speaker," said a Republican House member. "Then he bailed out."

The House whip, Tom DeLay, is described by the rebels as having given them much encouragement. He denies this.

The pro-Gingrich Republican said that if Mr. Armey and Mr. DeLay, both of Texas, had been attending these meetings as Mr. Gingrich's "eye and ears" and not as potential plotters, they would have told him in advance.

They did no such thing. They were keeping their options open. Now both Mr. Gingrich and the rebels feel betrayed by them.

House Republican rank and filers who were neither leaders nor plotters were aghast at the mess going on around them. "I guess Republicans can't stand success," said another House member, a moderate who supports Mr. Gingrich for now.

This intrigue might have as much interest to Americans in Peoria, Portland or Phoenix as a coup in Paraguay except for one thing. The troubles in the unhappy House Republican family bespeak divisions and uncertainties over just what they should do with the power they won less than three years ago. That will affect how the country is governed.

There is a rational reason to depose Mr. Gingrich, and an ideological reason. The rational reason is that Mr. Gingrich, according to the polls, is both an unpopular Republican leader and the best known — not a good combination.

But many of the plotters are anti-Gingrich for a different reason. They see him as dangerously "moderate," too ready to accommodate President Bill Clinton. They want the Gingrich of the old days, "the revolutionary." These Republicans don't like minimum-wage increases or children's health care spending, and think Mr. Gingrich did not wring enough tax cuts out of the president.

The truth is this: Compared with many in his caucus, Mr. Gingrich is a moderate. He learned some lessons from the Republicans' near-defeat in 1996. He respects Mr. Clinton's political skills. His 1995 strategy failed. As a result, his base in the House has shifted from young right-wingers to older moderates and pragmatic conservatives. "Imagine that," one House moderate said as he chatted with like-minded colleagues off the House floor. "We're going to be the ones who save Gingrich."

The pragmatic conservatives — who increasingly call themselves "rank and filers" — are now the key to Mr. Gingrich's future, and to where the party goes. The problem faced by moderates and pragmatists is not only that Mr. Gingrich is a badly weakened leader.

It's also that a large House contingent believes that the pure doctrine of 1995, which almost got the Republicans defeated, is the wave of the future.

Mr. Gingrich, who rode the tiger of "revolution," must now tame it before it consumes his speakership and his party.

Washington Post Writers Group.

A Black Week in Spain, A Festival of Mystery

By Brad Spurgeon

GIJON, Spain — Beforehand, it seemed no matter whom I told that I was going to Paco's party, the person had the same response. An American writer in England, a French book editor and another American writer, this one in France, all said, "Say hello to Paco for me."

Paco Ignacio Taibo 2d was born 48 years ago in the seaside resort city of Gijon, in northern Spain. As a boy he moved to Mexico, where he still lives and where his internationally acclaimed mystery novels are set. For 10 years, Paco has invited many of the world's top mystery writers to his hometown for a week in July to celebrate the crime novel. Each year an estimated one million visitors attend the event, called Semana Negra, or Black Week.

MEANWHILE

They come not only to celebrate the *novela negra* but also for the festival's fairgrounds. Paco, with the help of the local leftist mayor, created the festival to offer people a chance to amuse themselves and, perhaps, to pick up a book and read. "If you don't read," said Paco, "you're blind."

As an invited writer, I arrived in Gijon after a circuslike seven-hour ride from Madrid aboard a privately hired train, along with 100 other official guests. We were greeted at the station by a crowd of curious locals, some disgruntled factory workers and a brass band.

The protesting workers were welcomed by Paco and most of the other writers. Many European and Latin American crime writers use their genre — mostly considered just entertainment in the United States — as a political platform. Their views are usually left-wing. Talk on the train had been about how Paco, a teetotaler, would drink 10 bottles of the region's alcoholic apple cider if the leftist party won the Mexico City elections that weekend.

When we arrived at the fairgrounds, a black ribbon was cut by Paco, barely visible in the crowd. He is pudgy, with thick glasses and a mustache, but his explosive personality is visible everywhere.

Jugglers, clowns, mimes, musicians and other street performers crowded the fairgrounds, along with go-karts and statues of Batman, Sherlock Holmes and Humphrey Bogart. Tents filled with books for sale lined one side of the alleys, bandstands and public address systems the other. Above everything was a gigantic Ferris wheel and a fountain pen two stories high.

Authors' signings and roundtable discussions were followed by midnight meals, which were followed by partying. No sooner had the Mexican leftist party won the election and Paco had begun a nightlong series of cider toasts — perhaps not 10 bottles worth — than celebrations began over the discovery of Che Guevara's body in Bolivia.

It all made sense, this chaos, because Paco's message is that reading should be as much fun as going to the carnival. "Reading should not be an obligation," he said. "It should not be imposed. The government should ban books; that will make more people want to read them."

Toward the end of the week, this celebration of the dark side of humanity became even more surreal. But it was not a work of the imagination that occupied everyone's mind. When Basque separatists kidnapped a 29-year-old Spanish politician and put a deadline on his life, the entire country was horrified and helpless.

On the last Saturday, as I was talking to Paco, his wife, Paloma, interrupted, speaking in Spanish. "They shot the guy," she told me.

He then worked his way through the crowds to the Semana Negra radio station tent, where he made a speech denouncing the act of terrorism. A little later, the thousands of visitors, the carnival rides, the music, the entire black week fairgrounds came to a halt for a minute of silence for Miguel Angel Blanco Garrido, the victim, who died on Sunday, July 13.

Paco's party ended on a day when Spain's television screens were filled with images of protests across the country denouncing violence. But a work of fiction, a work of the imagination, be it about crime, terrorism or daily family life, is a statement of optimism. Everyone says hello to Paco because his party, too, is a statement of optimism.

International Herald Tribune.

LETTERS TO THE EDITOR

Palestinian Poverty

Regarding "A Recipe for Palestinian Poverty: Following the Arab Example" (Opinion, June 14) by Richard Cohen:

I found it interesting that Mr. Cohen made no mention of Israel's frequent closure of the territories, which has resulted in colossal losses for the Palestinian economy. Whether one agrees or disagrees with the rationale behind such closures, there can be no doubt that the Palestinians' economic dependence on Israel leaves the West Bank and Gaza very vulnerable and that the closures are a major reason why Palestinians are so poor.

Mr. Cohen asks whether Palestine will be more like the Jewish state or the Arab countries. But Israel would not be the economic and military power it is today were it not for U.S. aid. Being rich, then, is less a question of following the Israeli example than of winning America's favor.

FARIS KHADER.
Bir Zeit, West Bank.

Nature in Russia

Regarding "Yeltsin Tames the Forces of Nature" (July 15):

The article stated that Prime Minister Viktor Chernomyrdin of Russia, during a hunting expedition this past winter, flushed out a mother bear and her two cubs and shot one of the cubs. Such brutal killing of animals is most shocking when committed by any person but is even more so when the hunter is the prime minister and a role model for his country.

During the past 70 years or so, the Russians have extensively damaged their natural environment. The forests of Siberia have been cruelly raped for economic gain and devastated by chemical pollution and denudation.

The bear-hunting incident testifies that the Russian leadership continues to be insensitive toward environmental conservation and the protection of biodiversity.

AJOY BAGCHI.
New Delhi.

The writer is executive director of the People's Commission on Environment and Development in India.

Who Says?

William Safire quotes Professor Martha Kolln as saying: "You would never say, 'The Pirates is in town'" *("How Singular Are Sports Teams?" Language, July 14).* Obviously the good professor has never been to Brooklyn.

EDWARD W. RUBIN.
Hong Kong.

BOOKS

WARRIORS OF THE RISING SUN: A History of the Japanese Military

By Robert B. Edgerton. Illustrated. 384 pages. $29.95. W.W. Norton.

Reviewed by Richard Bernstein

THE history of Japan in the 20th century is like the Faust legend played out on the stage of global politics. Japan (not alone in this) sold its birthright for the sake of national glory. In his readably panoramic history of the Japanese military, Robert B. Edgerton does not write of the Faustian myth, but his thoughtful, well-researched book is nonetheless an account of a nation's tragic effort to achieve a grandiose purpose through force of arms, committing some of the most notorious acts of savagery of the sad 20th century and thereby losing the moral character it had before it was seized by its megalomaniacal dream.

The surprise, in Edgerton's view, is that early in the 20th century — indeed, right up to World War II — the Japanese behaved with remarkable chivalry in warfare. Almost alone among the armed foreign contingents that helped suppress the Boxer Rebellion in China, for example, the Japanese treated their Chinese adversaries with respect. Underlying Edgerton's purpose in "Warriors of the Rising Sun" is an effort to account for the transformation in Japanese behavior, from obedience to a strict code of decency and honor to a cult of barbarism and savagery.

That inquiry is also what gives Edgerton's book a purpose beyond the mere recapitulation of a story that has been told very well before. Edgerton, a sociologist and anthropologist who teaches at the medical school of the University of California at Los Angeles, uses secondary sources almost entirely for his account of the rise and fall of Japanese militarism. He casts a wide net as he reviews the chief stages in Japan's history, notably its late entry into the late-19th- and early-20th-century East Asian imperialist adventure. Japan grabbed Taiwan and the nearby Pescadores Islands from China in 1895, fought one of the largest conflicts in history against the Russians in 1905, annexed Korea in 1910 and seized control of German territories on the China coast in World War I.

By World War II Japan's chivalrous way of treating adversaries had changed. The Japanese martial code, known as Bushido, disappeared, to be replaced by a new code of unrelenting hatred of the enemy. Edgerton catalogues the incredible atrocities committed by the Japanese against the people it subjugated and against the soldiers they fought. The infamous six-week "rape of Nanking" was, Edgerton concludes, "conducted under the orders and direct supervision of officers." The question is: why the change from one mode of behavior to another?

Paradoxically, as Edgerton offers some answers to that question, he loses some of the sharpness of its focus. He offers some interesting conjecture especially about the disappearance of the Bushido code, the "way of the warrior," that had endured through the centuries of feudal rule in Japan, the domination of samurai and their lords.

"During the early years of the 20th century, Japanese officers, soldiers and sailors consciously referred to this code to guide their behavior in warfare," Edgerton writes. But, he continues: "By the 1930s, all of that had changed. The military reforms of that time not only stressed brutal discipline in Japan's armed forces; it increasingly emphasized hatred of the enemy."

That explanation is fine as far as it goes, but Edgerton muddles his own argument by lumping Japan together with every other country, saying that all of them have committed atrocities at one time or another.

The problem is not that Edgerton is wrong, but that his argument is too cursory and unsubstantiated to provide a persuasive resolution. Still, he has provided a service by laying out in such a colorful, panoramic way the tragic history of the Japanese warrior cult.

Richard Bernstein is on the staff of The New York Times.

CHESS

By Robert Byrne

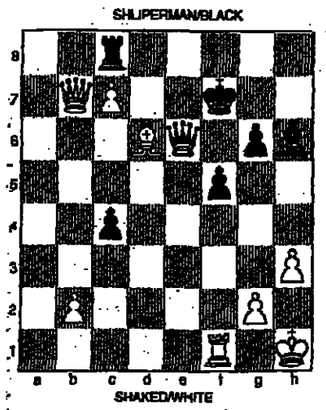
TAL SHAKED, a bright 19-year-old candidate grandmaster from Tucson, Arizona, won the 1997 United States Junior Championship, held June 21 to 29 at Illinois Wesleyan University in Bloomington, Illinois.

The characteristic pawn formation of the Benoni Defense can be seen after 6...Bg7. It defines the basic strategy: White will use his kingside pawn majority to play for attack with a timely e5; Black will flood the queenside with ...b5, ...c4 and ...b4. In the course of the play, however, either or both sides may choose to muffle the opponent's chances rather than to attack.

White's most aggressive implementation of this plan is 7 e4; the countermeasure that Black uses in this game is 9...Bg4 to weaken White's control of e5 by 12...Bf3 13 Qf3. Likewise, when Black prepares ...b5 by 7...a6, White clamps down with 8 e4.

Maybe Shliperman should have patiently played 15...b6 and only later advanced his b pawn. Instead, his 15...Rab8 let Shaked create split black queenside pawns after 16 a5 Rfe8 17 Ra4 b5 18 ab Rb6.

SHLIPERMAN/BLACK



SHAKED/WHITE

Final Position

On 19 Nd1, Shliperman might have tried 19...Qc8, but after 20 Be3 Rb8 21 Bb4, the White pieces would dominate the board. His alternative, 19...Rc8, however, gave up a pawn to 20 Be3 Rb5 21 Ra6.

After 27...Qa8, it was clear that Shliperman was challenging his opponent to find a way to exploit his extra pawn. Shaked responded by initiating an operation on the f line with 28 f5!

Shaked's 31 Qh4 forced Shliperman to block his bishop with 31...f6. The remaining problem for White was to get effective use out of the king bishop.

After 40 Bc6, Shliperman could not well play 40...Rf8 because 41 Ra1 would strongly threaten 42 Bd4 and 43 Ra7. Also, 40...Ra6 41 Be5 Qe5 42 Qg6 Qb2 43 Bd7! yields Shaked a decisive mating attack. But 40...Nc6 41 dc produced a powerful passed pawn for Shaked, and after 41...Kf7 42 e5!, he broke open the black defenses.

After 48...Bb6, the quickest way to win would have been 49 Re1 Qd7 50 Bd6, threatening 51 Re7 or 51 Qd5. But after Shaked's 49 Bd6, Shliperman's situation remained untenable, and he gave up.

BENONI DEFENSE

White Shaked	Black Shlip'mun	White Shaked	Black Shlip'man
1 d4	e6	25 Bc3	Nc5
2 c4	c5	26 Bc2	Re8
3 d5	ed	27 Nf2	Qa8
4 cd	d6	28 f5	Ncd7
5 Nc3	g6	29 Ng4	Ng4
6 e4	Bg7	30 Qg4	Ne5
7 f4	a6	31 Qh4	f6
8 a4	Nf6	32 fg	hg
9 Nf3	Bg4	33 Qg3	Kh7
10 Bd3	0-0	34 Qh4	Kg8
11 0-0	Nbd7	35 Qg3	Kh7
12 h3	Bf3	36 Bd1	Qa7
13 Qf3	Qc7	37 Qh4	Kg8
14 Kh1	c4	38 Qg3	Qe7
15 Bc2	Rab8	39 Ba4	Ra8
16 a5	Rfe8	40 Bc6	Nc6
17 Ra4	b5	41 dc	Kf7
18 ab	Rb6	42 e5	de
19 Nd1	Rc8	43 Be5	Re8
20 Be3	Rb5	44 c7	Qe6
21 Ra6	Qb8	45 Qc3	Rc8
22 Ba4	Rb4	46 Bg3	f5
23 Bd2	Nc5	47 Qh4	Bf8
24 Bb4	Na6	48 Qb7	Bb6
		49 Bd6	Resigns

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World Water: Financing for the Future

Istanbul, September 30 & October 1, 1997

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THE WORLD'S DAILY NEWSPAPER

TOMORROW: STAGE

From "Decorated Skin"/Thames and Hudson

Berber woman from the High Atlas with facial tattoos; Canibo girl from Peru's eastern rain forest with a labyrinth of lines and nose ornament; East African Karo herdsmen painted in a pattern simulating the plumage of guinea fowl; Japanese geisha with stylized white face; henna-decorated feet of a woman from India; a kumari, or living goddess, from Nepal; Wodabe man from the Niger area making himself up for a bridegrooms' parade.

When Beauty Is More Than Skin Deep: The Body as Canvas

By Suzy Menkes
International Herald Tribune

PARIS — And what if . . . you left for vacation with not a single bag, not a stitch of clothing — just a set of body paints to turn yourself into a perambulating work of art?

Imagine that your beach sandals were transformed into leafy foliage traced in henna red across your toes; that your mahogany brown sun-tanned back had the bumps and textures of tree bark; that the flaming red forehead and nose where you had caught the sun beamed out a significant meaning that you were a brave warrior and chieftain.

This is not a hallucinogenic dream. Using the body as a canvas for the imagination has a noble history, and one that goes back to the dawn of mankind. From a primitive creative impulse to decorate the skin grew complex signs and signals of cultural identity. As much as clothing, body art is a reflection of a *human instinct: to identify who we are* by how we look.

That is why "Decorated Skin, A World Survey of Body Art," by the German author Karl Groening (Thames and Hudson), could be described as an astounding and fascinating fashion tome deserving an important place in a library of couture manuals. It is also a deeply researched anthropological study and vivid visual record of a tradition that seems unlikely to survive the communications revolution in the 21st century.

The book opens with a photograph taken in 1975 of a Nuba tribesman from southern Sudan with traditional body decoration — and two years later in baseball cap, sweatshirt and shorts. That juxtaposition makes the 378 sumptuous color photographs that follow seem like a valedictory celebration of a vanishing world.

How strangely different — and yet how similar — these decorations are! To all cultures, color is supremely significant, even if white signifies peace and happiness to Cherokee Indians but was a symbol of mourning and death for clay-encrusted rituals in Papua New Guinea.

Red has been universally used as a symbol of the warrior male, from the paint used by the "Redskins," or North American Indians, through the painted mask representing the god of war in the Peking Opera, whose ancient history goes back to ritual exorcising of demons in 3000 B.C.

All the colors were based on natural materials: the white lime used by the Masai or the gooey black paste of charcoal and tree sap finger-painted by South American women.

Aesthetically, the results are often beautiful, sometimes frightening (as they were meant to be when body painting was designed to ward off demons or more tangible enemies).

Groning's extensive picture research means that we see people in their environment and also through the eyes of Westerners. The European painters who recorded the "Wild West" in the early 19th century convey in exquisite detail the American Indian decoration from plumed headdresses through facial and body markings.

"Those warriors in their finery take longer over their toilet than the most elegant Parisian lady," said Prinz Maximilian, traveling with the Swiss painter Karl Bodmer in 1832.

The difference between painted and powdered European ladies and the fantastic decorations of the prairie Indians was that the latter were entirely symbolic, whether tribal, ceremonial or recording rites of personal and clan passage.

Those characteristic meanings are also homogeneous across the centuries and cultures. There are, for example, the initiation ceremonies that accept children as sexual beings, and therefore part of the adult world. On a pubescent African girl, white skeletal markings depict both purity and a link to dead ancestors; in South America, her face-painting marks a stage of puberty that ends with her first menstruation; the extraordinary tattoos in Polynesia (the word derives from the Tahitian root *tatau*, to "inflict wounds") are done in stages from the time when a child becomes sexually mature.

MUTILATION of the body through deliberate scarring is the most difficult kind of body art for Western minds to understand. Yet there is something grotesquely beautiful about the back of a Sudanese woman turned into what seems like a wood sculpture. To her, and to many African societies, this "scarification" symbolizes fertility, and the marks even have erotic and sensual connotations.

Rituals of womanhood took another bizarre form in Japan, where the women of Hokkaido tattooed patterns on their lips, with the final markings completed by the bridegroom on marriage.

What remains of all these body decorations? "Decorative Skin" concludes with some interesting studies where the skin is used by modern Western artists as an ultimate canvas, and it discusses the nihilistic tribal markings of Punk and the male vogue for tattoos.

Some parallels can be drawn between body art and the camouflage and disguise of modern makeup. But after seeing in such graphic detail and glorious color the way that the body has been decorated in other cultures, it is hard to view the transitory vanity of lipstick and eye shadow as more than skin deep.

Christopher Moore

Stenciled necklace from Comme des Garcons; Kenzo's tribal markings, on forehead and throat; Galliano's tattoo patterns on sheer stretch sleeves.

Tribal Art Lite, The Designer Way

International Herald Tribune

PARIS — For avant-garde designers, body art is the height of fashion — on the runway. Whether it is a search for the authentic and ethnic in a global world, or just a way of adding spice to contemporary clothing, decorating the skin, or using tattoo and tribal patterns on fabric, is currently in style.

First to hit the catwalk was Rei Kawakubo of Comme des Garcons, whose spring 1992 collection, entitled "Unfinished," had tribal necklaces stenciled on skin to accompany clothing wrapped round the body rather than cut and sewn.

John Galliano, who has a penchant for mixing cultures and historical styles, used North African stenciling on the face and body for a collection of Empire-inspired dresses in 1996, when he was artistic director of Givenchy.

In his recent menswear collection, Kenzo used African ethnicity for color and decoration: tribal markings on the face and body, and used as patterns on knitwear and fabric.

Tattooing is, of its nature, permanent, but fashion designers have used it as a print on modern stretch second-skin fabrics. The first to develop this idea was the deconstructivist designer Martin Margiela, and his mentor Jean Paul Gaultier, whose tattoo T-shirts became a signature.

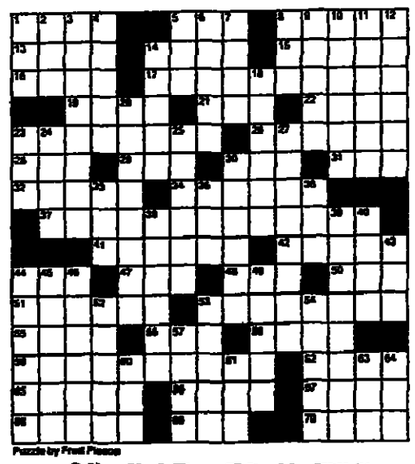
In his fall collection, Galliano also had tattoo markings for multicultural themes, including London punks and pearly queens and also Cleopatra. Body art has thus gone full circle, from the Egyptian pharaohs to the modern world.

Suzy Menkes

CROSSWORD

ACROSS
1 N.B.A.'s O'Neal, familiarly
5 Nicklaus's org.
8 Orbital point
13 Cape Canaveral grp.
14 E.T. vehicles
15 The Beatles' "You Won't ——"
16 Santa checks it twice
17 Popular adhesive
19 Facility
21 Egg —— yung
22 And others: Abbr.
23 Canasta relative
26 Cash register key
28 —— trick (three goals)
29 It kept a princess up
30 Dallas player, for short
31 Small island
32 "Oh, —— kind of guy . . "
34 Score in horseshoes
37 New Orleans hot spot
41 Edits
42 Overindulgent parent, e.g.
44 "Meet the Press" network
47 Actress Sue —— Langdon
48 Feather source
50 ——-Magnon
51 Conditioning, as leather
53 Ham holder
55 Golfer's pocketful
56 Cool —— cucumber
58 Future atty.'s exam
59 1777 battle site
62 Worst possible score
65 Role player
66 Athlete with a statue in Richmond, Va.
67 Hydrox rival
68 Villa —— (Italian site)
69 Hair goo
70 Highway entrance

DOWN
1 Variety show since 1975, briefly
2 "Bali ——"
3 O.K.
4 Persian Gulf nation
5 Army rank E-3
6 Disney star
7 Regarding
8 Campfire remnant
9 "For —— sake!"
10 Washington State airport
11 Relative of a gazelle
12 Old vaudeville actress Blossom
14 1972 Bill Withers hit
18 Longtime Harvard president James Bryant ——
20 Second-biggest movie hit of 1978
23 Touch-tone 4
24 Poetic foot
25 "Cheers" bar owner Sam
27 Recording studio add-ins
30 Raymond of "East of Eden"
33 Shade
35 Tackle's neighbor
36 Custom Royale of old autodom
38 Popular pain relief cream
39 And so on
40 Trillion: Prefix
43 Engine part
44 So-so
45 Writer Ambrose
46 Footballer's footwear
49 Free-for-all
52 "Once —— Enough"
53 Pay boost
54 Shadow eliminator?
57 Booty
60 Rap's Dr. ——
61 Devils' org.
63 Dream period, for short
64 Alley ——



Puzzle by Fred Piscop

© *New York Times/Edited by Will Shorts.*

Solution to Puzzle of July 21

M	A	R	Y		S	P	A	T	E		O	D	A	Y
E	Z	I	O		C	O	M	E	S		R	U	L	E
L	U	N	G		A	T	O	N	E		F	E	T	A
D	R	K	I	L	D	A	R	E		P	E	T	E	R
			E	S	T		M	E	T	E	O	R	S	
P	A	N	D	A		O	N	E	I	L	L			
L	E	A	R	N	S		E	N	D		G	A	S	H
A	R	I	D		H	A	R	T	E		O	L	E	O
N	O	L	O		R	I	V		R	H	O	D	E	S
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E	$	$	E		H	E	L	E	N		D	O	D	O

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صكناس الاصل

International Herald Tribune
BUSINESS/FINANCE
TUESDAY, JULY 22, 1997

Reuters, left photo; Universal Pictorial Press, right photo

Mr. Murdoch's son, Lachlan, left, and his daughter, Elizabeth, at center in 1991 photo, have been appointed to key positions by their father, right.

Investors Wary of Nepotism at Murdoch's BSkyB

By Geraldine Fabrikant
New York Times Service

It's all in the family. At least that is the message investors are getting about the top management succession at British Sky Broadcasting PLC, and they do not like what they hear.

First, Rupert Murdoch, who controls BSkyB, installed his daughter, Elizabeth, 29, as a senior executive at the company. Now, just 16 months later, the two ranking officers at BSkyB have gone.

The resignations of the chief executive, Sam Chisholm, 57, and his top aide, David Chance, 40, on June 17 stunned industry executives because the team had built BSkyB into Britain's leading pay-television company, and both had strong financial incentives to stay.

Mark Booth, formerly chief operating officer of Japan Sky Broadcasting Co., Mr. Murdoch's Japanese satellite operation, has been brought in as chief executive.

Mr. Murdoch has never hidden his dream of creating an empire that will survive into the next generation.

BSkyB is 40 percent owned by News Corp., the global media company in which Mr. Murdoch owns a controlling 31 percent stake. Lachlan Murdoch, 25, his son, has already been promoted to executive chairman at News Ltd., the Australian operation, and James Murdoch, 23, recently joined News Corp. as vice president for music and new media.

But if Mr. Murdoch, as some believe, hoped to train Lachlan well outside the spotlight of the United States and Europe, Elizabeth will have no such luck. Having already had her duties as general manager expanded, giving her the job of overseeing all programming at BSkyB, she is widely considered the second in command at the company. As such, she is beginning to attract media attention both in the United States and in Britain.

Mr. Chisholm cited his severe asthma as his reason for stepping down, and Mr. Chance offered no explanation. But the British media industry read the departures as a sign that Ms. Murdoch's presence was being too strongly felt.

"David Chance didn't want to be Elizabeth Murdoch's lap dog," said Louise Barton, media analyst at Henderson Crosthwaite, a London brokerage firm.

Or as Jason Crisp, media analyst at Societe Generale Strauss Turnbull in London, described the quandary of Mr. Chance, who could have succeeded Mr. Chisholm as chief executive, "He didn't want to be the meat in the sandwich — caught between Murdoch and

See BSKYB, Page 15

Bavarian Banks Agree To $10 Billion Merger

Firm Would Be No. 2 in Europe in Assets

By Edmund L. Andrews
New York Times Service

FRANKFURT — Two big German banks announced plans for a $10 billion merger on Monday that would, if consummated, create one of the biggest banks in Europe and an institution with more assets than any American bank.

The deal between the two biggest banks in Bavaria, Bayerische Vereinsbank AG and Bayerische Hypotheken- & Wechsel-Bank AG, marks the most dramatic move so far in a trend by European banks to consolidate in the face of increasingly ruthless competition.

Bankers and analysts have been expecting a wave of bank mergers in Germany for at least the past year.

Like many European countries, Germany has far more banks and bank branches than it needs, a burden that has made it harder for banks to earn respectable profits and to prepare to face increased international competition.

The new bank would have assets of $415 billion, second only in Europe to Deutsche Bank AG and considerably more than the $340 billion in assets at Chase Manhattan Bank, the biggest U.S. bank.

Executives at Bayerische Vereinsbank said the deal had been conceived in part to emulate the success of American "supra-regional" banks such as NationsBank Corp. of North Carolina and BancOne Corp. of Ohio, which have become powerhouses by acquiring scores of smaller institutions over the past decade.

The two German companies predicted the merger would save them about $600 million a year within five years, largely because they could cutting back on bank branches and reducing services within branches.

Shares in Hypobank rose 8.20 DM to 66.70 DM, while stock in Vereinsbank rose 2.90 DM to 85.70 DM.

"We have watched very closely what is going on in the world," said Martin Huefner, chief economist for Bayerische Vereinsbank. "It is the banks like BancOne and NationsBank that have been the fast-growing."

In a telling sign of the changing times, moreover, both banks were advised by the same American investment bank, J. P. Morgan & Co., which mapped out a complex, two-step merger. Representing both sides in a merger is illegal in the United States, but not in Europe.

"Europe is overbanked, and the industry is under increasing competitive pressure," said Matthew Czepliewicz, a banking analyst at Salomon Brothers in London. "This is a sign that the banks are recognizing that and are willing to act in fairly radical ways."

Germany has about one bank branch for every 1,500 people, while the United States has one for every 2,723 and Britain has one for every 2,931.

Under the proposed merger, Bayerische Vereinsbank will first buy up 45 percent of Hypobank's stock in exchange for shares that it owns of the German insurance company Allianz AG. The bank then plans to go back to the market and raise money to shore up its financial position. Sometime next spring, the two banks would then merge into a single entity with new stock.

Executives at Bayerische said the virtue of this complicated path was that it would keep shareholders from seeing their shares diluted. Under this plan, they said, the merged company would have 20 percent fewer shares than if it had executed a more conventional merger.

The question on many minds Monday, however, was whether more big mergers are on the horizon. Analysts were cautious, noting that Germany's two biggest banks — Deutsche Bank and Dresdner Bank — are strong enough to proceed on their own.

IMF Uses Quick-Fix Procedures to Arrange Loan to Philippines

By Steven Erlanger
New York Times Service

WASHINGTON — In an important test of new methods to cope with instability in world markets, the International Monetary Fund has for the first time used emergency procedures set up after the Mexican economic crisis to arrange a $1 billion loan to the Philippines.

The move was a response to the pressure placed on Southeast Asian economies since Thailand let its currency, the baht, float July 2, and it quickly fell about 20 percent against the dollar.

Fund officials said Sunday that the IMF board approved an emergency loan request from Manila on Friday to help its central bank shore up the Philippine peso, which was allowed to float July 11 and has since lost about 12 percent of its value.

Although the emergency loan is small in comparison with the unprecedented $17.8 billion the fund lent Mexico in February 1995, the instability of the Southeast Asian economies has been worrisome to international institutions.

The 1994-95 Mexico crisis provided further evidence to financial authorities that global markets are tightly linked and that instability even in smaller emerging markets can be enough to disrupt financial centers such as New York and London.

During that crisis, world financial institutions were criticized for not moving quickly enough. This helped lead to the establishment of emergency procedures that have now been put to their first test in the Philippines.

"It's a very good thing that's happened," said C. Fred Bergsten, director of the Institute for International Economics, a think tank. "This is the first sequence of financial disruptions since the Mexico crisis that has radiated out from one country to a financial contagion affecting lots of other countries. "It's imperative that the IMF be able to deal with these crises very fast and demonstrate that to the markets, and the Philippines deserves a lot of credit for going to the fund quickly to seek help; so both sides have learned, and hopefully, this will help mitigate any spillover of the contagion."

The IMF board approved Manila's request to draw on $600 million from an existing loan program due to expire Wednesday, extended that loan through the end of this year and augmented it with

See IMF, Page 15

Thinking Ahead /Commentary

Kohl Needs to Do More for the Euro

By Reginald Dale
International Herald Tribune

WASHINGTON — If any one country is to have the last word on Europe's planned single currency, the euro, it will be Germany — the Continent's dominant economic power — which holds national elections less than three months before the euro is due to be introduced in January 1999.

Until recently, that prospect has never much worried the currency's backers in other countries, who have counted on Chancellor Helmut Kohl to pilot the euro through the final political shoals as he seeks re-election in October 1998.

Now, however, Mr. Kohl is making some of the euro's friends distinctly nervous. Despite his passionate support for the plan, the Germans remain much less enthusiastic about the single currency than most of their European partners. If anything, doubts are growing. Mr. Kohl seems to have made no real case for the euro, simply insisting that it will be introduced on time despite the doubts and warning of the risk of war in Europe in the next century if it is not — a threat that seems incredible to many Germans who do not remember World War II.

If anything, Germans' euro doubts are growing.

Worse, Mr. Kohl has allowed himself to be maneuvered into a public pledge to limit the German budget deficit to a precise 3.0 percent of gross domestic product to qualify for the single currency — further increasing the political importance of an economically irrelevant commitment that he may be unable to keep.

Mr. Kohl and his government would do much better to start trying to dispel some of the myths about the euro that are fueling opposition to the single currency in Germany and elsewhere.

The German public, in the words of Klaus Friedrich, chief economist at Dresdner Bank, is afraid of inflation when it should be worrying about unemployment and Germany's "calcified" economic structures.

Many Germans worry that the value of their pensions and savings will be eroded once they are converted from strong Deutsche marks into weak euros and that the euro will be further "softened" by the inclusion of traditionally inflation-prone countries such as Italy, Spain and Portugal.

Those fears are outdated. The risk of inflation is virtually negligible in today's European economy. The latest Italian inflation figure, for instance — a year-on year increase of 1.4 percent — is as good as Germany's.

The focus of attention on France and Germany as the euro's key members has tended to obscure the huge achievements of the Mediterranean countries, and of northern countries such as Belgium, in bringing their economies into line with the single currency's requirements.

In any case, the inclusion of more countries will not necessarily make the euro a weaker currency. Its value will be determined largely by the capability and credibility of the European central bank, rather than member governments. Everything suggests that this central bank will be a highly professional operation that will want to make an early mark as a tough inflation-fighter.

Even so, of course, the euro may initially decline against the dollar, making it in that sense a "soft" currency. But that is already happening as potential euro member currencies, including the Deutsche mark, fall in unison against the dollar — without reigniting inflation.

The question is not whether countries attain the precise budget target of 3 percent — from which there are plenty of let-outs in the Maastricht Treaty — but whether the high degree of economic convergence that has now been attained in Europe is sustainable. That is the treaty's fundamental requirement.

Mr. Kohl should shift the focus to this wider issue — preferably with the support of the Bundesbank. He also needs to convince Germans that the euro, as it should, will help to solve the country's unemployment and other structural problems.

CURRENCY & INTEREST RATES

Cross Rates

July 21

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.023	3.3975	1.1258	0.3335	0.1157*	—	5.4405*	1.37	1.7461*	1.472	1.3365*
Brussels					Closed*						
Frankfurt	1.7956	3.009	—	0.2959	0.1028*	0.8883	4.8434*	1.2148	1.5491*	1.3085	1.1863*
London (a)	1.678	—	3.0142	10.1759	2,932.64	3.3932	62.2369	2.4772	194.3738	2.3064	253.916
Madrid	151.275	253.537	84.299	24.952	8.66*	74.831	4.0872	102.42	130.578*	110.146	—
Milan	1,747.60	2,933.80	973.25	288.39	—	864.20	47.12	1,181.50	15.091	1,272.60	11.557
New York (b)	—	1.6791 a	1.7963	6.0585	1,740.80	2.0225	37.09	1.425	116.085	1.3773	151.185
Paris	6.0627	10.161	3.3785	—	0.3471*	3.0011	0.1636	4.1048	5.2333*	4.4144	4.0075*
Tokyo					Closed						
Toronto	1.377	2.3117	0.7666	0.2273	0.0788*	0.6809	0.3713*	0.9335	1.1861*	—	0.91*
Zurich	1.4765	2.4749	0.8222	0.2436	0.0845*	0.7303	3.9801*	—	1.2743*	1.074	0.9761*
1 ECU	1.1031	0.6582	1.9795	6.6876	1,926.86	2.2284	40.8715	1.6292	127.791	1.515	166.872
1 SDR	1.3751	0.8285	2.4684	8.3377	2,489.27	2.7783	50.8911	2.0381	159.627	1.8887	208.046

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	281.60	Mex. peso	7.893	S. Afr. rand	4.5590
Australian $	1.3493	Hong Kong $	7.7498	N. Zealand $	1.5307	S. Kor. won	894.95
Austrian sch.	12.62	Hung. forint	192.55	Norw. krone	7.4013	Swed. krona	7.777
Brazil real	1.0809	Indian rupee	35.685	Phil. peso	28.10	Taiwan $	27.92
Chinese yuan	8.3217	Indo. rupiah	2510.0	Polish zloty	3.47	Thai baht	30.55
Czech koruna	34.30	Irish £	0.6696	Port. escudo	181.10	Turkish lira	155521.
Danish krone	6.8325	Israeli shek.	3.5301	Russ ruble	5784.0	UAE dirham	3.673
Egypt. pound	3.3898	Kuw dinar	0.30	Saudi riyal	3.7506	Venez. boliv.	492.87
Fin. markka	5.3175	Malay. ring.	2.5575	Sing. $	1.466		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6739	1.6722	1.6704	Japanese yen	115.28	114.74	114.20
Canadian dollar	1.3707	1.3682	1.3657	Swiss franc	1.4709	1.4660	1.4610
Deutsche mark	1.7898	1.7862	1.7822				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

July 21

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3 - 3 1/16	1 5/16 - 1 7/16	6 9/16 - 6 21/32	3 3/16 - 3 5/16	½ - 9/16	4⅛ - 4¼
3-month	5⅝ - 5¾	3⅛ - 3 3/16	1 7/16 - 1 9/16	6 15/16 - 7 1/16	3¼ - 3⅜	9/16 - 11/16	4⅛ - 4¼
6-month	5¾ - 5 13/16	3 3/16 - 3 5/16	1½ - 1⅝	7⅛ - 7¼	3⅜ - 3½	⅝ - ¾	4 3/16 - 4 5/16
1-year	5 29/32 - 5 31/32	3¼ - 3⅜	1 7/16 - 1 11/16	7⅜ - 7½	3½ - 3⅝	¾ - ⅞	4¼ - 4⅜

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5 9/16	5½
90-day CDs dealers	5.61	5.60
180-day CP dealers	5.50	5.50
3 month Treasury bill	5.13	5.11
1-year Treasury bill	5.29	5.28
2-year Treasury bill	5.91	5.88
5-year Treasury note	6.17	6.14
7-year Treasury note	6.20	6.17
10-year Treasury note	6.26	6.23
30-year Treasury bond	6.54	6.52
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	Clsd.	0.46
1-month interbank	–	0.54
3-month interbank	–	0.63
6-month interbank	–	0.67
10-year Gov't bond	–	2.56
Germany		
Lombard rate	4.50	4.50
Call money	3.08	3.08
1-month interbank	3.12	3.10
3-month interbank	3.15	3.15
6-month interbank	3.25	3.24
10-year Bund	5.83	5.57

Britain		
Bank base rate	6¾	6¾
Call money	6 9/16	6½
1-month interbank	6⅞	6¾
3-month interbank	7	6 15/16
6-month interbank	7 3/16	7⅛
10-year Gilt	7.08	7.04
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3¼	3¼
3-month interbank	3 5/16	3 5/16
6-month interbank	3⅜	3 5/16
10-year OAT	5.44	5.53

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	328.25	326.10	+2.30
London	328.05	326.20	+2.00
New York	329.80	326.20	—3.40

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

PRIVATE BANKING

Bull

We're not just on the map.
We're all over it.

It's not only our vast worldwide network that keeps us at your side at all times.
It's our total commitment to serving your unique demands, wherever you may be.
From the time we opened our first office in Switzerland in 1876, Credit Lyonnais has earned an enviable reputation for Private Banking based on dialogue and personal relationships.
The founder of Credit Lyonnais, Henri Germain, expressed it most succinctly when he created the bank's motto:

"Business is people, not just figures".
This has been the very essence of our banking philosophy from generation to generation.
We listen well to our clients' priorities as we help them navigate diverse and fast-changing financial markets. Perhaps that is why today we manage more than 9 million private accounts. And why we are often cited as a world reference bank for the private customer.
But there is yet another dimension to a successful banking partnership.
Your banker must make sure you get where you want to go. Providing innovative solutions and insightful answers through in-depth resources and experience in the world's leading marketplaces.

Our Geneva subsidiary, specialized in Private Banking since 1876.

Credit Lyonnais' Private Banking network can always put the financial technology and expertise you need at your finger tips. Precisely when you need it.
The combined strength of these two dimensions – close, trusting partnerships and vast global resources – creates something unique in Credit Lyonnais Private Banking.

Let's talk.

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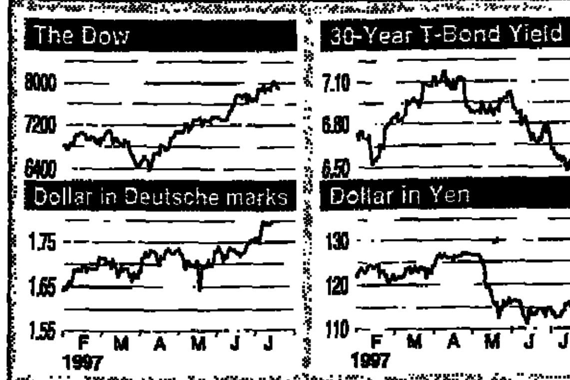
Investor's America



Exchange	Index	Monday @3:30PM	Prev. Close	% Change
NYSE	The Dow	7888.64	7941.30	-0.66
NYSE	S&P 500	909.61	915.30	-0.62
NYSE	S&P 100	890.29	895.86	-0.62
NYSE	Composite	473.16	475.97	-0.59
U.S.	Nasdaq Composite	1534.92	1547.97	-0.84
AMEX	Market Value	629.79	633.59	-0.60
Toronto	TSE Index	6649.30	6744.70	-1.43
São Paulo	Bovespa	10983.99	11195.25	-1.89
Mexico City	Bolsa	4605.91	4716.59	-2.33
Buenos Aires	Merval	784.56	802.60	-2.25
Santiago	IPSA General	5826.02	5862.84	-0.65
Caracas	Capital General	9124.69	9094.67	+0.33

Source: Bloomberg, Reuters — International Herald Tribune

Expansion Costs Cut AT&T Net

Compiled by Our Staff From Dispatches

NEW YORK — AT&T Corp. said Monday its profit dropped 38 percent in the second quarter, weakened in part by the cost of expanding into local phone and other markets and by slow revenue from its core long-distance telephone business.

The company said it earned $959 million, or 59 cents a share, in the quarter that ended June 30. That was down from $1.54 billion, or 95 cents a share, a year earlier, excluding results from AT&T's underwater-cable unit, which it has sold.

Revenue rose 2.4 percent, to $13.17 billion from $12.87 billion.

The sluggish results were released less than a week after AT&T's president, John Walter, quit after the company's board said it had lost confidence in his ability to guide America's largest long-distance operator.

Although the results slightly beat the average expectation of Wall Street analysts surveyed by IBES International, who had forecast a profit of about 58 cents a share, AT&T's chairman, Robert Allen, expressed disappointment. "We're certainly not pleased with the year-over-year decline in our earnings," he said.

In late trading in New York, AT&T's stock was at $34.1875, down 18.75 cents.

Revenue from AT&T's long-distance business grew 1.5 percent to $11.58 billion, dragged down by efforts to draw customers with price breaks and other promotions. The slow growth came despite a 9.7 percent increase in calling volume.

Revenue from long-distance services aimed at consumers dropped a slight $50 million, to $5.98 billion.

AT&T's credit-card division had a 16.3 percent revenue decline, to $351 million.

AT&T did not break out revenue from its fledgling local phone service. But it repeatedly cited the difficulty of cracking the market in its results, blaming foot-dragging by regional phone companies in making agreements to allow AT&T's entry. But the chief financial officer, Dan Somers, insisted that recent setbacks would not hurt the company's plans to expand its local offerings.

On Friday, a federal appeals court threw out certain new regulations aimed at opening the $100 billion local phone market to long-distance companies and others.

The cost of other AT&T ventures also hurt results, including investments in wireless services, AT&T's Internet access service and overseas phone service.

Revenue from all of AT&T's new ventures rose 46 percent, to $524 million.

Revenue from wireless services rose nearly 14 percent, to $1.09 billion, as the number of customers using AT&T's mobile-phone services rose by about a quarter, to nearly 6 million.

AT&T also announced that Caterpillar Inc.'s chairman and chief executive, Donald Fites, had been elected to serve on its board starting in September.

(AP, Bloomberg)

Stocks Drop as Market Awaits Fed Testimony

Compiled by Our Staff From Dispatches

NEW YORK — Share prices fell Monday, led by computer issues, as investors were cautious ahead of this week's testimony to Congress by Alan Greenspan, chairman of the U.S. Federal Reserve Board.

Microsoft led the decline for a second session after warning that its revenue growth was slowing and saying its stock had risen too high for the company to be interested in buying any shares back at this time. Boeing reported disappointing earnings, intensifying concern that stock prices may have gone too high.

The Dow Jones industrial average was down 6.73 points in late trading, at 7,883.73. Declining issues outnumbered advancing ones on the New York Stock Exchange by a 5-to-2 margin.

The Standard & Poor's 500-stock index dropped 5.09 points, to 910.21, and the Nasdaq Composite Index fell 15.72 points, to 1,532.27.

Mr. Greenspan gives his semiannual testimony to Congress on Tuesday and Wednesday. While there are few signs of inflation that might prompt the Fed to raise interest rates, Mr. Greenspan has made it clear in the past that the market's meteoric rise raises fears of inflation. The Dow has soared 25 percent since early December, when Mr. Greenspan warned of "irrational exuberance" in financial markets.

Michael Metz, chief investment strategist at Oppenheimer & Co., said, "A lot of big-cap stocks, especially technology stocks, got ahead of themselves."

Bond prices slipped. The benchmark 30-year Treasury bond fell 5/32, or $1.56 for each $1,000 face amount, to 101 3/32. The yield rose to 6.54 percent from 6.53 percent.

Last week the Dow passed the 8,000 level for the first time, but the market slid Friday when a drop in technology stocks triggered profit-taking.

On Monday, the market was nervous about the release of earnings by International Business Machines, which was set to report after the market closed.

"Everybody wants those IBM numbers to come in as forecast," said Doug Meyers, vice president of equity trading at Interstate/Johnson Lane. "Traders hate surprises."

Microsoft, the most active Nasdaq issue, fell sharply for a second day after the software company's treasurer, Greg Maffei, said on a conference call last week that the company did not buy back shares during the second quarter because the price was "a little high."

Kimberly-Clark shares dropped after the maker of Huggies diapers and Kleenex tissues reported disappointing second-quarter profit of $363.5 million, down from $364.7 million.

(Bloomberg, AP)

3 P.M. SNAPSHOT

Very briefly:

- **Boeing Co.**'s profit fell 15 percent in the second quarter, to $399 million, as sales rose 48 percent, to $9.3 billion. The company said its rush to increase production was causing parts shortages and high overtime costs.
- **Exxon Corp.** reported Monday that profit increased 25 percent in the second quarter to $1.97 billion, compared with $1.57 billion a year earlier. Revenue rose to $32.8 billion from $32.2 billion.
- **Sprint Corp.** announced Monday that it would buy a computer network manager, **Paranet Inc.**, for $425 million, giving Sprint a new line of services running smaller computer networks for corporations.
- **H. J. Heinz Co.** said it had formed a pet food joint venture in South Africa, acquiring **Reckitt & Colman PLC**'s food business in Zimbabwe.
- **Host Marriott Corp.**'s second-quarter earnings more than tripled to $26 million from $7 million a year earlier. Revenue rose 62 percent, to $270 million from $167 million.
- **Nabisco Holdings Corp.** said its second-quarter earnings rose 13 percent to $102 million from $90 million in the same period a year earlier.

(AP, Reuters, Bloomberg)

First Union Digs Deep for Signet

Compiled by Our Staff From Dispatches

CHARLOTTE, North Carolina — First Union Corp. said Monday it had agreed to buy Signet Banking Corp. for $3.25 billion, paying a high price to become the biggest bank in Virginia.

First Union would be paying a 46 percent premium on Signet's closing price on Friday of $36.6875 and 3.46 times its book value, making it one of the most expensive bank acquisitions ever.

Signet shares surged Monday to stand at $50.1875, up $13.50, in late trading. Stock in First Union, the sixth-biggest U.S. bank, fell $2.875 to $94.5265. First Union plans to close enough branches and eliminate enough jobs to cut 50 percent of Signet's costs.

Analysts said the price appeared high but might make sense because of the potential cost savings and the high price of First Union's stock that will be exchanged for Signet shares.

"Given that where the value of bank stocks are today, First Union is indeed paying in inflated currency," said Frank Barkocy, an analyst with Josephthal Lyon Ross, "it's probably less onerous than it might have been a year or so ago."

First Union will exchange 0.55 of a shares for each share of Signet.

In recent months, Wachovia Corp., based in Winston-Salem, North Carolina, positioned itself to become the largest banking company in Virginia by making two acquisitions: those of Central Fidelity Banks of Richmond for $2.3 billion and Jefferson Bankshares of Charlottesville for $542 million.

After those deals, which would have cut First Union's ranking to that of the fourth-biggest bank in Virginia, First Union approached Signet with the rich merger offer.

(Bloomberg, NYT)

EMU Worries Hurt Mark

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against the Deutsche mark Monday after the French government said its deficit this year would overshoot the limit that participants in Europe's planned single currency are intended to observe.

The announcement reinforced expectations that the criteria for participation in the single currency, the euro, will be watered down to allow France to join in January 1999. Such a move would result in a relatively weak euro, analysts say.

The dollar has risen about 15 percent against the mark so far this year amid expectations the German currency will be succeeded by a weaker euro.

"The Deutsche mark and other European currencies will continue to weaken on EMU concerns," said Tom Rayner, an economist at Societe Generale Strauss Turnbull. "The French audit won't help."

In late trading Monday, the dollar rose to 1.7963 DM from 1.7915 DM on Friday. Against the yen, it rose to 116.095 from 115.450.

A Bundesbank council member, Ernst Welteke, meanwhile, said German interest rates were unlikely to change in the next few months, reducing the possibility that higher rates might help the currency rebound.

Against other major currencies, the dollar rose to 6.0585 French francs from 6.0530 francs Friday and was little changed at 1.4750 Swiss francs, compared with 1.4755 francs.

The pound fell to $1.6791 from $1.6803.

(Bloomberg, AFP)

FOREIGN EXCHANGE

Weekend Box Office

The Associated Press

LOS ANGELES — "Men in Black" dominated the U.S. box office over the weekend, with a gross of $19 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. Men in Black	(Columbia Pictures)	$19 million
2. George of the Jungle	(Walt Disney)	$16.3 million
3. Contact	(Warner Bros.)	$16.1 million
4. Nothing to Lose	(Touchstone Pictures)	$11.6 million
5. Face/Off	(Paramount)	$9 million
6. My Best Friend's Wedding	(Tristar Pictures)	$6.8 million
7. Hercules	(Walt Disney)	$4.8 million
8. Operation Condor	(Dimension Films)	$4.7 million
9. Out to Sea	(Twentieth Century-Fox)	$3.1 million
10. Batman and Robin	(Warner Bros.)	$1.8 million

HANDSHAKE: *Failure Pays for Corporate Executives*

Continued from Page 1

prompting more executives who are being courted to make big demands, said Graef Crystal, a pay expert.

To many ordinary Americans, for whom getting the ax means a few weeks of severance pay at best and a scramble to find another job, the payments being lavished on corporate America's big-time losers seem almost obscene.

Yet, the corporate establishment shrugs them off as something that cannot be helped. "If that's what it takes to correct a situation, it's worth it," said Ira Millstein, a lawyer at Weil, Gotshal & Manges who advises many corporate boards. Several management experts termed the payoffs "peanuts" compared with a company's overall value, let alone the disruption and destruction a bad executive can cause.

Corporate America has arrived at this state of affairs because executives who leave one company, where their outlook is usually safe, for another, where it is uncertain, want to be compensated for the risk they are taking. And unlike in the past, when job offers were made orally and sealed with a handshake, today the corporate elite wants insurance in writing. Contracts always include severance arrangements.

AMEX

Monday's 3:45 P.M.

The top 300 most active shares.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	3:30	Chg.
Indus	7886.51	7919.96	7840.06	7888.84	-1.42
Trans	2831.70	2841.11	2823.30	2823.64	-12.43
Util	230.33	230.72	229.50	229.53	-1.13
Comp	2432.28	2437.34	2421.46	2429.53	-5.01

Standard & Poors

	High	Low	Previous Close	Today 3:00
Industrials	—	—	1081.44	1073.39
Transp.	—	—	653.18	647.74
Utilities	—	—	197.38	196.31
Finance	—	—	102.86	102.84
SP 500	—	—	915.30	909.61
SP 100	—	—	895.86	890.29

NYSE

	High	Low	3P.M.	Chg.
Composite	475.97	472.29	473.38	-2.59
Industrials	605.81	600.36	601.83	-3.98
Transp.	429.19	425.08	425.49	-3.69
Utility	284.12	282.19	282.24	-1.88
Finance	434.53	431.48	433.57	-0.65

Nasdaq

	High	Low	3P.M.	Chg.
Composite	1548.10	1530.92	1532.27	-15.72
Industrials	1228.13	1219.12	1219.32	-10.06
Banks	1661.14	1655.89	1658.66	-2.67
Insurance	1687.36	1676.65	1682.15	-2.72
Finance	1982.42	1975.85	1978.86	-3.46
Transp.	984.77	977.46	980.13	-7.93

AMEX

High	Low	3P.M.	Chg.
633.59	629.90	629.93	-3.66

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.17	104.10
10 Utilities	101.65	101.64
10 Industrials	106.69	106.56

Most Actives

NYSE

	Vol.	High	Low	3:45	Chg.
IBM s	73893	106 [illegible]	102 [illegible]	103 [illegible]	[illegible]
PhilMor s	68042	41 [illegible]	39 [illegible]	40 [illegible]	[illegible]
Motorola	64868	81 [illegible]	78	79	-3
ColHCA s	58826	31 [illegible]	31 [illegible]	31 [illegible]	[illegible]
KimbCk s	52561	48 [illegible]	47 [illegible]	47 [illegible]	[illegible]
WalMart	52377	35 [illegible]	34 [illegible]	35 [illegible]	[illegible]
Unisys	49513	9 [illegible]	8 [illegible]	8 [illegible]	[illegible]
AT&T s	44486	34 [illegible]	34 [illegible]	34 [illegible]	[illegible]
RJRNab	42393	30 [illegible]	29 [illegible]	29 [illegible]	[illegible]
PepsiCo	41042	35 [illegible]	34 [illegible]	35 [illegible]	[illegible]
Boeing s	40417	55 [illegible]	53 [illegible]	53 [illegible]	-2 [illegible]
GenElec s	40114	71	69 [illegible]	69 [illegible]	-1 [illegible]
SignetB	38413	50 [illegible]	48 [illegible]	50 [illegible]	+13 [illegible]
TelBrasl	33016	131	126	128 [illegible]	—
EKodak	32165	67 [illegible]	66 [illegible]	67 [illegible]	+1 [illegible]

Nasdaq

	Vol.	High	Low	3:45	Chg.
Microsft s	148870	141	133 [illegible]	135 [illegible]	-4 [illegible]
Intel s	131758	86 [illegible]	84 [illegible]	85 [illegible]	-1
MCI	81431	33 [illegible]	32 [illegible]	33 [illegible]	[illegible]
SunMic s	76235	47 [illegible]	45 [illegible]	45 [illegible]	[illegible]
3Com	63989	55 [illegible]	57 [illegible]	54 [illegible]	[illegible]
Cisco	63591	78 [illegible]	76	76 [illegible]	[illegible]
TriWind s	63088	[illegible]	[illegible]	[illegible]	[illegible]
WorldCm	61826	32 [illegible]	32 [illegible]	32 [illegible]	[illegible]
DellCpt s	46754	152 [illegible]	148 [illegible]	151 [illegible]	+2 [illegible]
Ascend	44400	50 [illegible]	48 [illegible]	49 [illegible]	[illegible]
Informix	39100	9 [illegible]	9 [illegible]	9 [illegible]	[illegible]
WestCT	33407	32 [illegible]	29 [illegible]	30 [illegible]	[illegible]
NTeam	31562	13 [illegible]	10	10	[illegible]
AppleC	29248	17 [illegible]	16	16 [illegible]	[illegible]
Oracle	28616	55 [illegible]	54 [illegible]	55	[illegible]

AMEX

	Vol.	High	Low	3:45	Chg.
SPDR	37007	91 [illegible]	90 [illegible]	91 [illegible]	[illegible]
Nabors	14542	30 [illegible]	29 [illegible]	30 [illegible]	[illegible]
CanOccl g	10626	[illegible]	25 [illegible]	25 [illegible]	[illegible]
Harken	8051	5 [illegible]	5 [illegible]	5 [illegible]	[illegible]
TWA	7917	6 [illegible]	6 [illegible]	6 [illegible]	[illegible]
RobertsPh	6696	10 [illegible]	9 [illegible]	9 [illegible]	[illegible]
ViacB	6491	28	27 [illegible]	28	[illegible]
SabaPet s	5670	20 [illegible]	18 [illegible]	19 [illegible]	+1 [illegible]
RoyalD g	4409	[illegible]	1 [illegible]	1 [illegible]	[illegible]
Hcarx	4367	1 [illegible]	1 [illegible]	1 [illegible]	[illegible]

Trading Activity

NYSE

	Noon	Prev.
Advanced	838	866
Declined	1432	2228
Unchanged	560	521
Total Issues	3233	3415
New Highs	72	162
New Lows	14	14

AMEX

	Noon	Prev.
Advanced	187	223
Declined	294	339
Unchanged	144	181
Total Issues	627	743
New Highs	25	43
New Lows	2	11

Nasdaq

	Noon	Prev.
Advanced	1444	1765
Declined	1903	2296
Unchanged	2101	1445
Total Issues	5468	5726
New Highs	90	190
New Lows	56	54

Market Sales

	Today 3:00	Prev. cons.
NYSE	374.72	695.90
Amex	20.82	33.67
Nasdaq	397.61	668.55

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Comsat Corp	-	.05	8-8	9-8
Orange Natl Bncp	-	.10	8-14	9-2
STOCK SPLIT				
Equifax Inc 1/10th of a share of ChoicePoint Inc for each share held.				
Gen Instrument 1/3 of a share of Commonscope Inc & 1 share of NextLevel Systems for each share held.				
Supreme Intl 3 for 1 split.				
Weyco Group 3 for 1 split.				
INCREASED				
Dana Corp	Q	.27	8-29	9-15
IBS Fincl	Q	.10	8-27	9-16
Marin Indest	Q	.04	8-4	8-15
MassMutlCorp Inv	Q	.73	7-31	8-14
R&G Fincl B.	Q	.0775	8-1	8-15
INITIAL				
Affil Commun Bn n	-	.12	7-30	8-15
Fst Carnegie	-	.075	7-24	7-31
Hartford Life	-	.09	8-29	9-30
Market Fincl	-	.07	7-31	8-15
PeoplesBk CT n	-	.17	8-1	8-15
St Paul Bncp n	-	.10	7-31	8-14
Wells Fincl	-	.12	7-31	8-21
Weyco Grp n	b	.08	9-2	10-1
REGULAR				
AK Steel	Q	.20	7-27	8-15
AmerFst Prepfd 2	M	1094	7-31	9-2
Citizens Banking	Q	.285	7-25	8-6
E Town Corp	Q	.51	9-16	9-30
Eastern Util	Q	.415	8-1	8-15
El Paso Natur Gas	Q	.365	9-5	10-10
Fst WA Realty Tr	Q	.4875	8-1	8-15
Firstar Corp	Q	.21	7-28	8-15
Fuller.HB.	Q	.165	7-29	8-11
Gallagher.A.J.	Q	.31	9-30	10-15
GenCorp Inc	Q	.15	8-1	8-29
Gillette Co	Q	.215	8-1	9-5
Johnson & John	Q	.22	8-19	9-9
Lakehead Pipe	Q	.68	7-31	8-14
Landmark Bncshr	Q	.10	8-1	8-15
MorganStan Hi	M	.105	7-31	8-15
Nationwd Hlth	Q	.39	8-8	9-5
Ocean Fincl	Q	.20	7-28	8-4
Pentair Inc	Q	.135	8-1	8-15
Regal Beloit	Q	.12	9-30	10-15
Savannah Bncp	Q	.04	8-1	8-18
Southern Co	Q	.325	8-4	9-6
SunSource L.P. A.	M	.0916	8-1	8-29
Sunsource L.P. B	-	.03	8-1	8-29
United Dominion	Q	.07	9-5	9-30
Videotron Grp g	Q	.015	9-1	9-21
Western OH Fincl	Q	.25	8-15	8-29

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full

INTERNATIONAL FUTURES

July 21, 1997

High Low Latest Chge Opint

Grains

CORN (CBOT)
5,000 bu minimum- cents per bushel
Jul 97 265¾ 258¼ 263½ —6¼ 3,818
Sep 97 246 240½ 245¼ —7¼ 63,875
Dec 97 247¼ 242¼ 246½ —7½ 142,654
Mar 98 254½ 250 254½ —6¼ 28,027
May 98 259½ 255 259½ —7 5,964
Jul 98 262½ 259 262½ —7 9,072
Sep 98 256½ 254 255¾ —5 1,116
Est. sales N.A. Fri's. sales 73,297
Fri's open int 259,469 off 561

SOYBEAN MEAL (CBOT)
100 tons- dollars per ton
Jul 97 274.50 262.00 274.50 +4.50 2,364
Aug 97 245.50 233.60 245.30 +1.90 26,227
Sep 97 220.50 212.00 220.50 +0.80 17,461
Oct 97 201.00 193.00 201.00 —0.70 14,718
Dec 97 194.00 188.00 193.80 —1.10 39,271
Jan 98 192.00 188.50 192.00 —1.80 5,499
Est. sales N.A. Fri's. sales 23,035
Fri's open int 117,787 up 1143

SOYBEAN OIL (CBOT)
60,000 lbs- cents per lb
Jul 97 21.80 21.55 21.77 —0.30 327
Aug 97 21.85 21.57 21.82 —0.31 18,706
Sep 97 22.00 21.60 21.98 —0.31 17,575
Oct 97 22.13 21.72 22.13 —0.27 14,528
Dec 97 22.49 21.90 22.28 —0.38 41,422
Jan 98 22.39 22.15 22.32 —0.43 5,781
Est. sales N.A. Fri's. sales 16,828
Fri's open int 103,794 up 1042

SOYBEANS (CBOT)
5,000 bu minimum- cents per bushel
Jul 97 778 754 778 +1¾ 1,534
Aug 97 740 712 739½ 27,495
Sep 97 645½ 627 645½ —7½ 13,792
Nov 97 598 586 598 —9½ 72,280
Jan 98 605¾ 589½ 601 —7¾ 14,088
Est sales N.A. Fri's. sales 52,150
Fri's open int 140,679 off 5947

WHEAT (CBOT)
5,000 bu minimum- cents per bushel
Jul 97 332½ 323½ 332½ +4 274
Sep 97 341½ 329 341 +5 42,221
Dec 97 355 342½ 354½ +4¾ 37,510
Mar 98 365 353 365 +4¾ 7,657
Est. sales N.A. Fri's sales 14,313
Fri's open int 92,720 up 1159

Livestock

CATTLE (CMER)
40,000 lbs. - cents per lb.
Aug 97 66.45 65.97 66.05 —0.50 30,426
Oct 97 69.47 69.05 69.25 —0.22 35,440
Dec 97 71.80 71.35 71.72 +0.15 15,752
Feb 98 73.67 73.25 73.65 +0.05 8,888
Apr 98 75.55 75.35 75.45 —0.07 3,486
Jun 98 72.37 71.90 72.05 —0.02 7,598
Est. sales 17,240 Fri's. sales 10,288
Fri's open int 96,769 off 374

FEEDER CATTLE (CMER)
50,000 lbs.- cents per lb.
Aug 97 83.40 82.47 82.75 —0.05 10,654
Sep 97 82.95 82.15 82.67 —0.02 3,154
Oct 97 83.15 82.25 82.42 —0.12 4,438
Nov 97 84.30 83.75 84.07 +0.22 3,788
Jan 98 84.95 84.20 84.50 +0.15 1,711
Mar 98 84.50 84.00 84.30 +0.10 819
Est. sales 3,238 Fri's. sales 2,889
Fri's open int 24,380 off 14

HOGS-Lean (CMER)
40,000 lbs. - cents per lb.
Aug 97 81.65 80.90 81.35 +0.10 17,722
Oct 97 74.57 73.35 73.80 —0.52 12,114
Dec 97 70.95 69.90 70.38 —0.55 5,430
Feb 98 69.40 68.50 68.80 —0.55 1,956
Apr 98 65.05 64.00 64.22 —0.77 1,786
Est. sales 6,271 Fri's. sales 4,379
Fri's open int 34,937 up 85

PORK BELLIES (CMER)
40,000 lbs. - cents per lb
Jul 97 87.90 85.17 85.50 —2.67 417
Aug 97 85.70 83.22 83.27 —3.00 4,188
Feb 98 71.20 69.80 70.10 —1.05 1,061
Est. sales 1,970 Fri's. sales 2,105
Fri's open int 5,701 off 101

Food

COCOA (NCSE)
10 metric tons- $ per ton
Sep 97 1521 1498 1504 —36 30,029
Dec 97 1567 1548 1552 —36 23,428
Mar 98 1602 1584 1590 —33 22,024
May 98 1623 1610 1610 —33 10,140
Jul 98 1637 1628 1628 —33 1,218
Sep 98 1650 1648 1648 —33 3,705
Est. sales 9,995 Fri's. sales 5,386
Fri's open int 101,065 off 337

COFFEE C (NCSE)
37,500 lbs - cents per lb
Jul 97 198.00 187.00 195.70 +3.20 234
Sep 97 164.25 156.00 158.85 —5.45 11,521
Dec 97 149.75 144.00 145.95 —4.15 5,772
Mar 98 140.00 135.00 136.50 —4.00 2,895
May 98 137.00 132.00 132.00 —5.00 943
Est. sales 5,796 Fri's. sales 5,716
Fri's open int 21,900 off 60

SUGAR-WORLD 11 (NCSE)
112,000 lbs.- cents per lb.
Oct 97 11.34 11.22 11.26 —0.02 91,917
Mar 98 11.53 11.43 11.50 +0.02 46,540
May 98 11.43 11.33 11.41 +0.04 10,590
Jul 98 11.34 11.28 11.34 +0.05 5,382
Est sales 13,907 Fri's. sales 12,747
Fri's open int 157,554 up 793

Metals

GOLD (NCMX)
100 troy oz.- dollars per troy oz.
Jul 97 326.00 325.50 325.50 —3.40 2
Aug 97 329.80 325.90 326.20 —3.40 93,278
Sep 97 326.80 —3.50 52
Oct 97 331.10 327.80 327.80 —3.50 11,335
Dec 97 333.50 329.30 329.70 —3.60 45,730
Feb 98 335.10 331.90 331.90 —3.60 10,332
Apr 98 335.00 334.10 334.10 —3.60 5,164
Jun 98 339.50 339.50 337.50 —0.60 7,483
Aug 98 342.60 2,135
Est. sales 50,000 Fri's. sales 62,823
Fri's open int 213,898 off 5107

HI GRADE COPPER (NCMX)
25,000 lbs.- cents per lb.
Jul 97 111.00 109.30 110.90 +1.10 3,992
Aug 97 109.05 107.90 109.05 +1.15 3,532
Sep 97 109.00 107.20 108.55 +1.15 22,015
Oct 97 107.10 107.05 107.05 +1.05 1,479
Nov 97 106.95 +1.15 1,234
Dec 97 105.90 104.30 105.65 +1.20 7,848
Jan 98 104.85 +1.15 754
Feb 98 104.10 +1.10 632
Mar 98 103.35 103.10 103.35 +1.10 2,450
Est. sales N.A. Fri's. sales 7,529
Fri's open int 48,317 off 160

SILVER (NCMX)
5,000 troy oz.- cents per troy oz.
Jul 97 425.50 422.50 423.00 —8.00 149
Aug 97 423.10 —1.20
Sep 97 432.00 425.00 425.80 —1.20 61,572
Dec 97 437.00 431.50 432.00 —1.20 15,577
Jan 98 433.70 —1.20 20
Mar 98 438.10 437.00 438.10 —1.20 9,443
May 98 441.90 —1.20 2,875
Jul 98 447.00 445.70 445.70 —1.20 2,048
Est. sales N.A. Fri's. sales 13,371
Fri's open int 96,337 off 2364

PLATINUM (NMER)
50 troy oz.- dollars per troy oz.
Jul 97 411.50 401.00 411.50 —1.30 348
Oct 97 401.70 399.00 399.50 +0.20 9,771
Jan 98 398.00 394.50 394.50 +0.70 1,888
Est sales N.A. Fri's. sales 1,163
Fri's open int 12,151 up 45

LONDON METALS (LME)
Dollars per metric ton — Close / Previous
Aluminum (High Grade)
Spot 1585.00 1586.00 1547.00 1568.00
Forward 1610.00 1611.00 1595.00 1596.00
Copper Cathodes (High Grade)
Spot 2470.00 2473.00 2446.00 2447.00
Forward 2327.00 2328.00 2303.00 2304.00
Lead
Spot 642.00 643.00 638.00 639.00
Forward 651.00 652.00 648.00 649.00
Nickel
Spot 6685.00 6695.00 6680.00 6690.00
Forward 6800.00 6805.00 6790.00 6800.00
Tin
Spot 5375.00 5385.00 5405.00 5415.00
Forward 5425.00 5435.00 5455.00 5460.00
Zinc (Special High Grade)
Spot 1523.00 1524.00 1522.00 1523.00
Forward 1532½ 1533.00 1526.00 1527.00

Financial

High Low Close Chge Opint

US T. BILLS (CMER)
$1 million- pts of 100 pct.
Sep 97 94.89 94.87 94.87 —0.02 7,861
Dec 97 94.75 94.75 94.75 623
Mar 98 94.68 34
Est. sales N.A. Fri's. sales 681
Fri's open int 8,523 up 15

5 YR. TREASURY (CBOT)
$100,000 prin- pts & 64ths of 100 pct
Sep 97 107-01 106-56 106-56 —09 228,397
Dec 97 106-49 2,573
Mar 98 -01
Est. sales N.A. Fri's. sales 22,902
Fri's open int 230,932 up 208045

10 YR. TREASURY (CBOT)
$100,000 prin- pts & 32nds of 100 pct
Sep 97 109-18 109-11 109-12 —06 350,445
Dec 97 109-06 109-02 109-02 —06 11,616
Mar 98 109-00 228
Est. sales N.A. Fri's. sales 54,578
Fri's open int 362,289 up 507

US TREASURY BONDS (CBOT)
(8 pct-$100,000-pts & 32nds of 100 pct)
Sep 97 114-06 113-27 113-28 —10 498,837
Dec 97 113-24 113-16 113-17 —09 34,318
Mar 98 113-09 113-08 113-08 —09 16,014
Jun 98 113-06 661
Est. sales N.A. Fri's. sales 265,211
Fri's open int 548,907 off 7803

LIBOR 1-MONTH (CMER)
$3 million- pts of 100 pct
Aug 97 94.33 94.32 94.33 24,454
Sep 97 94.32 94.31 94.31 —0.01 10,335
Oct 97 94.28 94.28 94.28 —0.01 3,655
Est. sales N.A. Fri's. sales 4,758
Fri's open int 41,517 up 1138

GERMAN GOV. BUND (LIFFE)
DM250,000 - pts of 100 pct
Sep 97 102.80 102.53 102.72 —0.07 273,694
Dec 97 101.66 101.66 101.81 —0.08 10,454
Est sales 72,630 Prev sales 107,453
Prev open int 284,148 off 2,676

ORANGE JUICE (NCTN)
15,000 lbs.- cents per lb.
Sep 97 75.70 73.35 75.00 +1.55 19,351
Nov 97 77.70 76.25 77.50 +1.30 7,064
Jan 98 80.70 79.50 80.40 +1.25 2,843
Mar 98 83.60 82.40 83.30 +1.25 2,012
Est. sales N.A. Fri's. sales 1,579
Fri's open int 31,825 up 22

LONG GILT (LIFFE)
£50,000 - pts & 32nds of 100 pct
Sep 97 114-23 114-11 114-15 —0-09 165,008
Dec 97 N.T. N.T. 114-03 —0-09 1,138
Est. sales: 28,209. Prev. sales: 57,794
Prev. open int.: 166,146 off 7,148

10-YEAR FRENCH GOV. BONDS (MATIF)
FF500,000 - pts of 100 pct
Sep 97 130.38 130.08 130.22 — 0.14 208,193
Dec 97 99.16 99.04 99.02 — 0.14 5,290
Est. sales: 75,983
Open int.: 213,483 off 265.

ITALIAN GOVERNMENT BOND (LIFFE)
ITL 200 million - pts of 100 pct
Sep 97 136.58 135.85 136.56 +0.14 106,032
Dec 97 108.00 108.00 108.56 +0.18 2,410
Est. sales: 41,033. Prev. sales: 37,055
Prev. open int.: 108,442 off 1,948 108,442

EURODOLLARS (CMER)
$1 million-pts of 100 pct.
Aug 97 94.24 94.24 94.24 24,613
Sep 97 94.23 94.22 94.22 —0.01 532,043
Dec 97 94.05 94.04 94.04 —0.01 467,447
Mar 98 93.98 93.96 93.97 —0.02 322,807
Jun 98 93.89 93.87 93.87 —0.02 263,136
Sep 98 93.79 93.77 93.77 —0.03 210,101
Dec 98 93.68 93.66 93.66 —0.03 158,511
Mar 99 93.66 93.64 93.64 —0.04 122,556
Jun 99 93.63 93.61 93.61 —0.03 93,755
Sep 99 93.60 93.58 93.58 —0.07 77,105
Dec 99 93.53 93.51 93.51 —0.03 69,229
Est. sales N.A. Fri's. sales 226,064
Fri's open int 2,708,001 off 7719

BRITISH POUND (CMER)
62,500 pounds, $ per pound
Sep 97 1.6784 1.6698 1.6748 62,122
Dec 97 1.6730 1.6640 1.6770 881
Mar 98 1.6618 198
Est. sales N.A. Fri's. sales 3,972
Fri's open int 63,201 off 217

CANADIAN DOLLAR (CMER)
100,000 dollars, $ per Can. dlr
Sep 97 .7312 .7284 .7287 37,186
Dec 97 .7333 .7316 .7323 2,723
Mar 98 .7365 .7365 .7365 570
Est. sales N.A. Fri's. sales 8,125
Fri's open int 42,683 off 7157

GERMAN MARK (CMER)
125,000 marks, $ per mark
Sep 97 .5619 .5581 .5585 107,913
Dec 97 .5631 .5619 .5621 1,224
Mar 98 .5670 460
Est. sales N.A. Fri's. sales 19,155
Fri's open int 109,691 off 1243

JAPANESE YEN (CMER)
12.5 million yen, $ per 100 yen
Sep 97 .8734 .8670 .8678 56,683
Dec 97 .8830 .8786 .8789 1,704
Mar 98 .8924 152
Est sales N.A. Fri's. sales 17,134
Fri's open int 58,739 off 574

SWISS FRANC (CMER)
125,000 francs, $ per franc
Sep 97 .6850 .6814 .6819 52,339
Dec 97 .6895 .6834 .6891 1,397
Mar 98 .6960 710
Est sales N.A. Fri's. sales 12,757
Fri's open int 54,546 off 309

MEXICAN PESO (CMER)
500,000 pesos, $ per peso
Sep 97 .12420 .12365 .12390 18,802
Dec 97 .11970 .11950 .11960 11,818
Mar 98 .11560 4,251
Est sales N.A. Fri's. sales 3,591
Fri's open int 35,883 off 982

3-MONTH STERLING (LIFFE)
£500,000 - pts of 100 pct
Sep 97 92.79 92.77 92.77 —0.01 126,476
Dec 97 92.59 92.55 92.57 —0.01 128,603
Mar 98 92.50 92.47 92.48 —0.01 104,537
Jun 98 92.53 92.47 92.48 —0.01 72,800
Sep 98 92.54 92.52 92.52 —0.02 51,953
Dec 98 92.58 92.54 92.56 —0.01 42,856
Mar 99 92.62 92.59 92.60 —0.01 36,976
Jun 99 92.63 92.60 92.61 —0.01 21,439
Sep 99 92.61 92.61 92.62 —0.01 14,060
Dec 99 92.63 92.60 92.62 —0.01 12,344
Est sales 44,6373 Prev sales: 74,926
Prev open int: 473,017 up 11,752

3-MONTH EUROMARK (LIFFE)
DM1 million - pts of 100 pct
Aug 97 N.T. N.T. 96.83 Unch. 1,285
Sep 97 96.79 96.78 96.79 Unch. 293,277
Oct 97 N.T. N.T. 96.73 Unch. 1,314
Dec 97 96.67 96.66 96.67 Unch. 264,824
Mar 98 96.57 96.54 96.56 Unch. 248,960
Jun 98 96.41 96.38 96.40 —0.01 198,425
Sep 98 96.22 96.20 96.21 —0.01 151,342
Dec 98 95.97 95.95 95.96 —0.01 174,467
Mar 99 95.77 95.74 95.76 —0.01 91,757
Jun 99 95.57 95.55 95.56 —0.01 54,161
Est. sales: 66,361. Prev. sales: 98,689
Prev. open int.: 1,555,442 up 18,674

3-MONTH PIBOR (MATIF)
FF5 million - pts of 100 pct
Sep 97 96.51 96.48 96.50 Unch. 71,213
Dec 97 96.45 96.42 96.45 - 0.01 34,688
Mar 98 96.39 96.36 96.38 Unch. 27,480
Jun 98 96.31 96.28 96.30 Unch. 26,630
Sep 98 96.21 96.18 96.20 Unch. 33,749
Dec 98 96.03 96.00 96.02 Unch. 23,270
Mar 99 95.83 95.81 95.83 Unch. 15,550
Jun 99 95.65 95.64 95.65 Unch. 8,748
Est. sales: 71,496.
Open int.: 252,975 off 131.

3-MONTH EUROLIRA (LIFFE)
ITL 1 million - pts of 100 pct
Sep 97 93.30 93.25 93.28 —0.03 109,826
Dec 97 93.70 93.65 93.68 —0.02 86,166
Mar 98 94.02 93.98 94.02 —0.01 52,105
Jun 98 94.29 94.23 94.27 —0.03 39,812
Sep 98 94.47 94.42 94.46 —0.02 31,345
Dec 98 94.59 94.54 94.59 —0.01 23,531
Mar 99 94.59 94.54 94.59 —0.01 12,704
Jun 99 94.43 94.44 94.48 —0.02 5,919
Est sales. 22,455 Prev. sales: 21,286
Prev open int 360,453 off 922

Industrials

COTTON 2 (NCTN)
50,000 lbs.- cents per lb.
Oct 97 74.78 74.25 74.70 —0.22 12,127
Dec 97 74.80 74.20 74.60 —0.36 44,207
Mar 98 76.00 75.55 76.08 —0.05 9,640
May 98 76.30 76.30 76.30 —0.45 2,542
Jul 98 76.80 76.80 76.80 —0.35 1,495
Est. sales N.A. Fri's. sales 13,623
Fri's open int 75,543 off 2061

HEATING OIL (NMER)
42,000 gal, cents per gal
Aug 97 52.50 51.85 52.20 —0.02 27,784
Sep 97 52.95 52.30 52.70 +0.07 30,018
Oct 97 53.70 53.20 53.50 +0.08 23,680
Nov 97 54.60 54.15 54.40 +0.08 16,744
Dec 97 55.45 54.95 55.20 +0.03 17,753
Jan 98 56.00 55.70 56.00 +0.23 14,564
Feb 98 56.50 56.10 56.20 +0.13 7,170
Mar 98 55.75 55.40 55.50 +0.18 6,749
Apr 98 54.60 54.40 54.60 +0.53 2,982
Est. sales N.A. Fri's. sales 36,736
Fri's open int 143,330 off 11621

LIGHT SWEET CRUDE (NMER)
1,000 bbl - dollars per bbl.
Aug 97 19.32 18.98 19.17 —0.10 31,713
Sep 97 19.49 19.25 19.39 —0.04 83,314
Oct 97 19.52 19.32 19.42 —0.04 48,399
Nov 97 19.55 19.38 19.52 +0.03 23,771
Dec 97 19.58 19.48 19.56 +0.04 48,102
Jan 98 19.60 19.48 19.57 +0.03 25,341
Feb 98 19.65 19.60 19.65 +0.10 11,535
Mar 98 19.65 19.58 19.65 —0.11 5,554
Apr 98 19.57 —0.18 5,314
May 98 19.58 —0.39 7,777
Est. sales N.A. Fri's. sales 133,117
Fri's open int 417,646 off 411

NATURAL GAS (NMER)
10,000 mm btu's, $ per mm btu
Aug 97 2.135 2.075 2.080 29,980
Sep 97 2.120 2.051 2.055 30,710
Oct 97 2.125 2.065 2.070 24,316
Nov 97 2.265 2.210 2.220 11,925
Dec 97 2.410 2.360 2.370 15,507
Jan 98 2.445 2.400 2.405 15,925
Feb 98 2.360 2.325 2.330 10,641
Mar 98 2.250 2.215 2.215 6,886
Apr 98 2.120 2.095 2.095 3,540
May 98 2.080 2.055 2.055 2,872
Est. sales N.A. Fri's. sales 31,165
Fri's open int 200,775 off 2171

UNLEADED GASOLINE (NMER)
42,000 gal, cents per gal
Aug 97 60.50 58.85 59.70 —0.35 37,324
Sep 97 58.15 56.75 57.40 —0.28 25,038
Oct 97 56.15 55.20 55.60 —0.31 9,280
Nov 97 55.30 54.70 54.85 —0.15 4,444
Dec 97 54.90 54.40 54.40 —0.17 7,003
Jan 98 55.00 54.95 54.95 —0.18 5,812
Feb 98 55.17 1,418
Mar 98 55.77 3,278
Est sales N.A. Fri's. sales 38,568
Fri's open int 94,967 off 1143

BRENT OIL (IPE)
U.S. dollars per barrel - lots of 1,000 barrels
Sep 97 18.20 17.98 18.09 —0.03 81,401
Oct 97 18.28 18.08 18.19 +0.02 26,861
Nov97 18.34 18.20 18.30 +0.03 11,376
Dec97 18.47 18.34 18.40 +0.04 16,919
Jan98 18.39 18.36 18.42 +0.06 12,974
Feb98 18.45 18.36 18.41 +0.07 4,980
Mar98 N.T. N.T. 18.38 +0.07 2,646
Est. sales: 20,533. Prev. sales 42,386
Prev. open int. 165,016 up 2,797

Stock Indexes

S&P COMP. INDEX (CMER)
500 x index
Sep 97 920.00 911.25 915.90 —1.10 183,527
Dec 97 929.95 922.55 926.40 —0.50 5,440
Mar 98 936.85 —21.20 1,878
Est sales N.A. Fri's. sales 80,098
Fri's open int 191,454 up 1362

CAC 40 (MATIF)
FF200 per index point
Jul 97 2886.0 2834.0 2885.0 +27.0 96,804
Aug 97 2893.0 2845.0 2893.0 +27.0 5,354
Sep 97 2901.0 2852.5 2901.0 +27.0 71,328
Dec 97 2924.5 2890.0 2925.0 +25.5 991
Mar 98 2929.0 2929.0 2950.0 +27.0 8,817
Jun 98 N.T. N.T. 2919.5 +27.0 1,250
Est. sales: 20,179
Open int.: 70,783 off 631.

FTSE 100 (LIFFE)
£25 per index point
Sep 97 4860.0 4830.0 4801.0 —64.0 74,032
Dec 97 4873.0 4873.0 4864.0 —63.5 4,615
Mar 98 N.T. N.T. 4903.0 —64.0 101
Est. sales: 11,283. Prev. sales: 23,377
Prev. open int.: 78,748 off 1,817

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,516.40
Reuters	1,897.30	1,891.50
D.J. Futures	146.59	148.16
CRB	233.61	235.04

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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مكتبة من الاجل

LVMH's Chief Quits Board of Guinness

Bloomberg News

PARIS — LVMH Moet Hennessy Louis Vuitton SA said Monday that its chief executive had quit the board of Guinness PLC in a show of discontent over the British company's lack of support for his proposal to merge their beverage businesses.

The company said the CEO, Bernard Arnault, 48, had quit as a result of "opposition expressed by that company's management" to Mr. Arnault's plan to merge LVMH's Moet Hennessy Champagne and cognac unit with Guinness's liquor brands and those of Grand Metropolitan PLC. Mr. Arnault advanced his plan as an alternative to the British companies' $38 billion merger plan announced in May.

Guinness and GrandMet are expected this week to respond formally to Mr. Arnault's merger plan, which would undo their own proposal to combine. LVMH last week proposed breaking up GrandMet and Guinness into four separate food, fast-food, brewing and liquor companies. LVMH has said it wants 35 percent of the liquor company, although the French luxury-goods company said Monday it would consider taking a smaller stake.

"He's made this decision in order to be able to promote his alternative solution" to their planned merger proposal, LVMH said.

"This is far more value-enhancing for all shareholders and was received unfavorably by the management of Guinness."

Murray Loake, a Guinness spokesman, said the company had received Mr. Arnault's resignation Monday afternoon and would officially accept it at a board meeting Wednesday.

Guinness and LVMH have had a cross-shareholding relationship that dates to the late 1980s. At present, LVMH owns 14.2 percent of Guinness, and Guinness owns 34 percent of Moet Hennessy. Mr. Arnault has been on Guinness's board since 1989.

The heads of Guinness and GrandMet last week criticized Mr. Arnault's plan.

"What Mr. Arnault is proposing is a complicated and costly break-up of both GrandMet and Guinness in order to leverage LVMH into a dominant position," GrandMet Chairman George Bull and Guinness Chairman Tony Greener said in a joint statement at that time.

"This would give Mr. Arnault back-door control without paying a premium, and it is hard to see how this could be in the interests of other shareholders," they added.

An LVMH representative replied Monday: "We're completely prepared to review our estimate. We can have below 35 percent if the value of the new company is found to be higher than our estimate."

Another spokesman indicated earlier that Mr. Arnault might settle for less than 30 percent plus a cash payment.

Some analysts said a 35 percent stake seemed high for what LVMH would bring to a company that would be the world's largest liquor entity.

LVMH would be bringing its 66 percent stake in Moet Hennessy to the merged beverage business, in addition to its 14.2 percent stake in Guinness and its recently acquired 6.4 percent stake in GrandMet.

Fiat Plans Indian Investment

Compiled by Our Staff From Dispatches

Fiat SpA said Monday that it planned to invest $1 billion in India in the next five years, saying it wanted to make the nation a key element in its industrial strategy.

Fiat's chief executive officer, Paolo Cantarella, said at a news conference that Fiat's Indian unit would start producing its Palio car line in 1999 in the western state of Maharashtra.

Mr. Cantarella said it had set up a joint venture, Fiat India Auto Ltd., which will make 100,000 cars a year by the turn of the century. He said Fiat was committed to its partnership with India's Premier Automobiles Ltd. and it would not merely use India to assemble car sections made abroad.

"The Fiat group has decided to make India a key element in its worldwide industrial strategy," he said at a business conference here.

Premier Automobiles is one of the oldest Indian car makers. It started by producing Fiat cars under a technology deal with the Italian firm in the early '80s. It later began manufacturing its own cars.

Mr. Cantarella said that the component manufacturer Magneti Marelli, part of the Fiat group, would also begin operations in the western Indian city of Pune to make car components.

"If all our plans materialize, we believe that, by the year 2000, we will be producing between 900,000 to one million cars a year," he said.

The Fiat chief, however, said that despite continuing free-market reforms, India was "being rather slow to deregulate and privatize its markets and cut down on the bureaucracy that hampers business."

Fiat shares closed Monday in Milan at 6,285 lire, down from 6,930 lire on Friday. *(AFP, Reuters)*

Europe's Financial Shangri-la

'No Major Problems to Solve' in Tiny Liechtenstein

Bloomberg News

VADUZ, Liechtenstein — While most of Europe is grappling with sluggish economic growth, rising unemployment and budget cuts, Liechtenstein, a tiny nation in the midst of it all, has escaped the turmoil.

Liechtenstein's per capita income is about $39,000, making the tiny country, which is smaller than Washington, one of the world's wealthiest states. Unlike Washington, it has no airport, while its unemployment rate at 1.5 percent is the lowest in Europe.

All that with no dark clouds on the horizon, according to the latest government report on the economy out this month. Exports from ceramics to electrical products continue to rise, and money continues to flow into Liechtenstein bank accounts, reputed to be the world's safest.

"We don't foresee any problem areas in the economy and there is no sector with deep-rooted problems," Liechtenstein's Economics Department said in its report. "At the moment, our prognosis is of continued positive development."

The rating agencies Standard & Poor's Corp. and Moody's Investors Service Inc., which assigned Liechtenstein their top triple-A debt rating last year, said they will not change it anytime soon.

"We awarded Liechtenstein an 'AAA' because its fiscal position is so strong," said Steven Hess, a vice-president and senior analyst at Moody's in New York. "The government has virtually no debt, the economy is more diverse than one would think, and the banks are well regulated."

Unlike its western neighbor, Switzerland, Liechtenstein is also a member of the European Economic Area, making it part of a trade pact closely linked with the 15 member European Union. This has helped cut red tape and pull down barriers for Liechtenstein's exports although the country is not a full EU member.

Last year, in the country's first year as an area member, Liechtenstein's five banks had combined assets worth 27.4 billion Swiss francs ($18.57 billion), up 13 percent from a year earlier. Exports soared to 3 billion francs, up 67 percent than a decade ago.

Liechtenstein, with a population of 31,000 and about 23,000 jobs, relies on foreigners to fill its posts — only 38 percent of the country's jobs are filled by Liechtensteiners.

"Our idea to join the EEA was not to solve problems, as we had no major problems to solve," said Hubert Buechel, head of the Economics Department. "We told our people that we are dependent on everything from abroad, from raw materials to our work force, and that joining the EEA would help us keep the good conditions we already have here."

If Liechtenstein had rejected membership in the European Economic Area, it "would have been absolutely dependent on Switzerland," said Michael Hilti, chairman of Liechtenstein's biggest company, Hilti AG, a tool maker. "Even though we still have a good relationship with Switzerland, the door is now not closed to us elsewhere."

Liechtenstein's relationship with Switzerland was cemented in 1923, when the two countries signed a customs agreement. In 1924, the principality adopted the Swiss franc as its currency, and the Swiss National Bank now functions as the lender of last resort for the principality.

Liechtenstein still benefits from the Swiss franc's stability as well as from low Swiss interest rates. The floor discount rate, which also applies for Liechtenstein, is the lowest in Europe, and is at its lowest level since 1979.

Almost half of Liechtenstein's exports go to countries in the EU, while 15 percent go to Switzerland. Export items range from electronics goods to precision instruments and textiles. Almost half of the labor force last year worked in industry.

The principality, nestled between Austria and Switzerland, is the fourth-smallest state in Europe — Monaco, San Marino and the Vatican are smaller. Vaduz, the capital, has no train station and no airport.

Liechtenstein is "a constitutional hereditary monarchy upon a democratic and parliamentary basis," as the government describes the system. Prince Hans-Adam II acts as head of state, and also foots the bill for the castle and his expenses. He is also one of Liechtenstein's biggest taxpayers.

Siemens Shares Retreat on Profit Warning

Compiled by Our Staff From Dispatches

BERLIN — Siemens AG said Monday its third-quarter net profit rose a greater-than-expected 10 percent as its international business surged, but the company's shares dropped as it reiterated its forecast that profit growth for the year would be flat.

Siemens said net profit for the three months ended June 30 rose to 625 million Deutsche marks ($347.4 million) from 568 million DM in the year-earlier period.

Third-quarter sales rose 19 percent, to 26.5 billion DM from 22.2 billion DM, the company said. New orders were up 19 percent, to 28.9 billion DM from 24.2 billion DM.

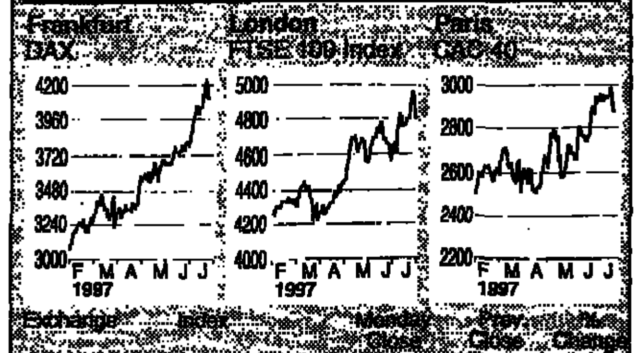
"At first glance the figures look good, particularly foreign orders and sales," said Klaus Repges, an analyst with Trinkaus Capital Management in Duesseldorf. "But I am not sure the gains are enough to justify the huge rise in share price we've seen recently."

Analysts said they remained skeptical the company had done enough to reduce costs to remain competitive with European rivals. Siemens shares fell 5.25 DM to close at 113.60.

The chief executive, Heinrich von Pierer, said earnings in the current financial year would only match last year's, though he said there would be a "significant improvement" in net profit in the following year. The chief financial officer, Karl-Hermann Baumann, said net profit growth in 1998 would exceed the 6 percent gain expected for sales.

Net profit for the nine months ended June 30 rose to 1.7 billion DM from 1.65 billion a year earlier. Nine-month sales rose 10 percent, to 71.2 billion DM from 64.5 billion. New orders rose 14 percent, to 82.8 billion DM from 72.8 billion DM. Growth came exclusively from international business, which accounted for 67 percent of sales and new orders in the nine-month period, Siemens said. *(Bloomberg, Reuters)*

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	AEX	931.34	941.79	-1.11
Brussels	BEL-20	Closed	[illegible]	[illegible]
Frankfurt	DAX	4,108.40	4,196.53	-2.10
Copenhagen	Stock Market	N.A.	653.43	
Helsinki	HEX General	3,409.83	3,483.64	-2.12
Oslo	OBX	670.53	678.55	-1.18
London	FTSE 100	4,885.70	4,877.20	+0.17
Madrid	Stock Exchange	595.95	603.29	-1.22
Milan	MIBTEL	14626	14541	+0.58
Paris	CAC 40	2,874.12	2,876.69	-0.09
Stockholm	SX 16	3,414.12	3,459.40	-1.31
Vienna	ATX	1,408.24	1,430.23	[illegible]
Zurich	SPI	3,572.56	3,636.72	-1.76

Source: Telekurs — International Herald Tribune

Very briefly:

- **President Boris Yeltsin** of Russia signed a decree that opened the way for a diamond-trade contract with South Africa's **De Beers** cartel, ITAR-Tass news agency reported. The decree authorized the diamond company **AK Almazy Rossii-Sakha** to export rough gem diamonds.
- **Iberia's** planned alliances with **AMR Corp.'s** American Airlines and **British Airways PLC** are not dependent on the approval of a separate agreement between American and BA by U.S. and European authorities, Iberia's chairman said.
- **Adidas AG**, the German sportswear maker that fought off possible extinction at the start of the 1990s, is considered the top candidate to be added to Frankfurt's DAX stock-market index, probably to take the place of the beleaguered retailer **Karstadt AG**.
- **Aero International (Regional)**, a European plane-making venture based in France, said **Northwest Airlines** had exercised an option to buy 24 of its regional aircraft for about $620 million.
- **United Utilities PLC**'s board fired its chief executive, Brian Staples, saying it had lost confidence in him because of his management style, as it warned its results would fall "slightly below" expectations.
- **Coca-Cola Enterprises Inc.** plans to buy the Coca-Cola bottling operations in Luxembourg owned by **Soutirages Luxembourgeois SA** for about $20 million. *(AP, Bloomberg)*

Ad Sales Soar at ProSieben

Bloomberg News

MUNICH — ProSieben Media AG said Monday that its gross advertising sales rose by 21 percent, to 1.55 billion Deutsche marks ($861.5 million) in the first half of 1997, more than double the rate of the industry average, according to the research company Nielsen.

Gross advertising revenue, which is calculated by multiplying the amount of available advertising spots by a list price, rose 18.5 percent, to 1.325 billion DM at the ProSieben television channel and by 46 percent, to 222 million DM at the company's Kabel 1 television channel.

The television companies receive 60 to 70 percent of gross advertising revenue after discounts, ProSieben said.

WORLD STOCK MARKETS

Monday, July 21
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 931.34 Previous: 941.79

	High	Low	Close	Prev.
ABN-AMRO	45.80	44	44.90	44.60
Aegon	154.50	149.70	149.70	154.30
Ahold	N.A.	N.A.	N.A.	181.70
Akzo Nobel	285.50	278.20	282.50	279.70
Baan Co.	155.80	149.60	151	154.50
Bols Wess cva	41.30	40.20	40.50	41.40
CSM cva	101.30	98.60	100.30	100.30
Dordtsche Pet	113.70	109.50	109.50	111.50
DSM	228	219.60	224.50	220
Elsevier	36.70	35.20	35.80	36.10
Fortis Amev	94	91	91.50	93.20
Getronics	70.90	69.50	69.90	70.10
G-Broc cva	72	70.50	70.70	72.30
Hogemeyer	112	109	110.60	111.80
Heineken	320	308	315.20	320.60
Hoogovens cva	117.80	116.40	117	116.90
Hunt Douglas	93.50	89.60	91.40	91.00
ING Group	100.70	98.20	98.70	99.70
KLM	70.10	68.90	70	70
KNP BT	45.70	43.60	44.30	45.20
KPN	84.80	83	83.20	84.50
Nedlloyd Gp	66.20	64.70	65.90	65.10
Nutricia	336	332.20	333.60	334.50
Oce Grinten	253.50	246	251	253.50
Philips Elec	152.40	147.10	148	152.70
Polygram	103	99.70	101	100.20
Randstad Hdg	224.30	219	221	224
Robeco	198.30	195.50	195.50	199.10
Rodamco	66.90	66.30	66.80	67
Rolinco	198.60	198.40	198.40	201.50
Rorento	117.10	116.60	116.60	117
Royal Dutch	110.50	106.50	107.30	108.60
Unilever cva	434.30	428.10	430.40	434.50
Vendex Intl	114.50	110.80	110.90	112.60
VNU	46.90	45.50	45.50	46.60
Wolters Kl cva	276	269	274	273

Markets Closed

Stock markets in Bangkok, Brussels and Tokyo were closed Monday for a holiday.

Bombay
Sensex 30 index: 4154.28 Previous: 4124.81

	High	Low	Close	Prev.
Bajaj Auto	922.50	882	922.25	880
Hindust Lever	1330	1250	1315.50	1324
Hindust Petm	486	475	482.50	481.25
Ind Dev Bk	95.75	94	95	95
ITC	508.50	499	504.25	507
Mahanagar Tel	275.75	264	270.50	272
Reliance Ind	347.50	343.50	347	342.75
State Bk India	330	322.50	327.75	325
Steel Authority	24.50	23.75	24	25.25
Tata Eng Loco	398	383.50	394	387

Copenhagen
Stock index: N.A. Previous: 653.43

	High	Low	Close	Prev.
BG Bank	380	371	372	388
Carlsberg B	375	365	369	370
Codan Fors	985	960	960	985
Danisco	391	385	389	395
Den Danske Bk	762.10	749	754	770
D/S Svendbrg B	410410	400000	405000	420000
D/S 1912 B	285285	275000	284000	280000
FLS Ind B	250	235	250	256
Kob Lufthavne	763.90	754	761.90	765
Nvo Nordisk B	804	784	790	801.25
Sophus Ber B	1000	954.50	965	990
Tele Danmk B	397	388	390	401
Tryg Baltica	415	385	400	406
Unidanmark A	439.37	414	418	436

Frankfurt
DAX: 4108.40 Previous: 4196.53

	High	Low	Close	Prev.
AMB B	1855	1830	1855	1820
Adidas	224	217	218.50	222
Allianz Hdg	431	417.50	419.50	450.50
Altana	176	174	174.50	179.50
Bk Berlin	39.30	39	39.20	38.85
BASF	68.35	66.50	68	70.15
Bayer Hypo Bk	68.10	66.10	66.70	68.50
Bay. Vereinsbank	86.20	85.10	85.70	82.80
Bayer	72.80	72.02	72.50	75.20
Beiersdorf	88.10	85.18	85.70	89.20
Bewag	38.15	38	38	38.60
BMW	1465	1450	1451	1518
CKAG Colonia	190	180	180	198
Commerzbank	56.40	56	56.10	53.80
Daimler Benz	148.70	146.70	147.75	151.90
Degussa	91.50	91	91	94.50
Deutsche Bank	108.90	107.70	108.70	108.70
Deut Telekom	43.10	42.60	42.95	43.85
Dresdner Bank	78.50	77.70	77.80	74.65
Fresenius	360	358	358.50	362
Fresenius Med	151.50	150.20	150.20	155
Fried. Krupp	326.50	317	317	338
Gehe	119.50	117.20	118	120.50
Heidelbg Zmt	162	160	160	162
Henkel pfd	99	97.20	97.50	102
HEW	451	451	451	451
Hochtief	80.10	79.80	80.10	80
Hoechst	80.50	78.70	80.50	83.10
Karstadt	675	668	675	670
Lahmeyer	85.90	83.50	85	84.10
Linde	1285	1270	1272	1293
Lufthansa	34.10	32.30	32.40	34.15
MAN	538	534.50	538	541
Mannesmann	790	781	782	803
Metallgesellschaft	38	37.20	37.30	38.45
Metro	210.20	209	209	215.50
Munch Rueck R	6530	6400	6530	6660
Preussag	544.50	540	541	558
RWE	74.40	73.50	74.40	73.45
SAP pfd	411	404	405.20	418
Schering	194	190.70	191.50	196.50
SGL Carbon	245	235	236.50	253
Siemens	114.10	111.30	113.60	118.85
Springer (Axel)	1668	1668	1668	1668
Suedzucker	905	904	904	906
Thyssen	417	408	409	426.50
Veba	100.10	98.80	99	102.10
VEW	565	565	580	569
Viag	792	783	783	776
Volkswagen	1405.50	1392	1404	1405.50

Helsinki
HEX General index: 3409.83 Previous: 3483.64

	High	Low	Close	Prev.
Enso A	49.50	47.90	47.90	49
Huhtamaki I	232	228	228	232
Kemira	52.40	49.60	50.40	52.30
Kesko	77	75.50	77	78
Merita A	21.40	20.80	20.80	21.80
Metra B	171	164	165	171.50
Metso-Serla B	44.50	42.60	42.60	45.10
Neste	135	133	134	132.50
Nokia A	430	422	425.50	438
Orion-Yhtymae	198	195.50	198	197
Outokumpu A	104	103	104	104.60
UPMKymmene	133.50	129.50	130	134.60
Valmet	88.80	87.50	88.80	88.80

Hong Kong
Hang Seng: 15536.30 Previous: 15578.40

	High	Low	Close	Prev.
Amoy Props	8.20	8	8.15	8.10
Bk East Asia	33.10	32	32.90	32
Cathay Pacific	15.10	14.45	14.70	14.75
Cheung Kong	75	73.75	74.50	74.50
CK Infrastruct	26	25.50	25.50	26.10
China Light	44.50	43.90	44	44.30
Citic Pacific	47	46.30	46.40	47
Dao Heng Bk	47.20	46	47.20	47
First Pacific	9.30	9.20	9.25	9.30
Hang Lung Dev	14	13.80	13.95	14
Hang Seng Bk	117	109	115	111
Henderson Inv	8.50	8.30	8.40	8.65
Henderson Ld	67	65	66.50	67
HK China Gas	16.60	15.95	16.40	16.15
HK Electric	31.10	30.50	30.80	30.90
HK Telecomm	20.90	20.10	20.30	20.15
Hopewell Hdgs	5.10	4.80	4.88	5.10
HSBC Hdgs	267	258	262	265
Hutchison Wh	67	65.50	66.75	66.75
Hysan Dev	23.85	23.50	23.80	23.50
Johnson El Hdg	22.60	22.40	22.45	22.40
Kerry Props	18.50	18.40	18.40	18.75
New World Dev	48.20	47.20	47.40	48.30
Oriental Press	3.05	2.90	2.98	2.88
Pearl Oriental	1.18	1.15	1.17	1.17
SHK Props	89.25	87	88.50	89
Shun Tak Hdgs	4.70	4.63	4.63	4.70
Sino Land Co.	7.50	7.35	7.45	7.55
Sth China Post	8	7.40	8	7.85
Swire Pac A	68.25	67	67.50	68
Wharf Hdgs	31.90	31.10	31.40	31.70
Wheelock	17.80	17.50	17.65	17.70

Jakarta
Composite index: 712.48 Previous: 724.00

	High	Low	Close	Prev.
Astra Int'l	8250	8175	8200	8350
Bk Int'l Indon	1850	1775	1850	1825
Bk Negara	1475	1425	1450	1475
Gudang Garm	9400	9200	9250	9500
Indocement	4350	4025	4250	4450
Indofood	5450	5400	5400	5400
Indosat	7500	7450	7500	7575
Sampoerna HM	9350	9000	9050	9375
Semen Gresik	4900	4750	4850	4875
Telekomunikasi	4025	3925	3925	4025

Johannesburg
All Market: 7431.93 Previous: 7494.86

	High	Low	Close	Prev.
Amalgamd Bks	32.75	30	32.95	32.95
AngloAm Coal	260	260	263	263
AngloAm Corp	260	258.50	258.75	258.75
AngloAm Gold	259	255	252	252
AngloAm Ind	197	195.50	195	195
AVMIN	14.95	14.75	14.90	14.90
Barlow	55	54.75	55	55
C.G. Smith	25.30	25	25.20	25.20
De Beers	167	165	167.50	167.50
Driefontein	34	33.25	32.50	32.50
Fst Natl Bk	39.20	39	39.20	39.20
Gencor	19.30	18.65	19.40	19.40
GFSA	95.50	95	95.50	95.50
Imperial Hdgs	62	61.75	62.25	62.25
Ingwe Coal	23.30	22.50	23.25	23.25
Iscor	3.16	3.03	3.04	3.04
Johnnies Indl	65.50	65	65.75	65.75
Liberty Hdgs	394	392	393	393
Liberty Life	149.50	148	149.50	149.50
LibLife Strat	17.60	17.25	17.50	17.50
Minorco	97.25	96.25	96.75	96.75
Nampak	18.50	18.30	18.50	18.50
Nedcor	101.75	100.25	101.75	101.75
Rembrandt Gp	45.50	44.60	44.90	44.90
Richemont	70.50	70.25	70.50	70.50
Rust Platinum	75.50	75	75.50	75.50
SA Breweries	141	139.75	140.25	140.25
Samancor	43	43	43	43
Sasol	59	58.50	58.75	58.75
SBIC	219	217.50	219	219
Tiger Oats	77	76.75	77	77

Kuala Lumpur
Composite: 1022.67 Previous: 1001.55

	High	Low	Close	Prev.
AMMB Hdgs	15.10	14.60	15	14.70
Genting	12.10	11.60	11.90	11.60
Mal Banking	26	25.25	25.75	25.75
Petronas Gas	8.80	8.70	8.75	8.60
Proton	11.20	10.90	11.10	11
Public Bk	3.90	3.76	3.88	3.74
Renong	3.32	3.18	3.32	3.16
Resorts World	8.30	8	8.15	8.05
Rothmans PM	27	26.75	27	26.50
Sime Darby	8.55	8.20	8.45	8.20
Telekom Mal	11.20	10.40	11	10.50
Tenaga	10.60	10.30	10.50	10.40
Utd Engineers	19.10	18.40	18.60	18.60
YTL	7.75	7.40	7.70	7.40

London
FT-SE 100: 4885.70 Previous: 4877.20

	High	Low	Close	Prev.
Abbey Natl	8.88	8.35	8.44	8.86
Allied Domecq	4.48	4.40	4.41	4.49
Anglian Water	7.88	7.76	7.77	7.84
Argos	6.42	6.32	6.35	6.40
Asda Group	1.49	1.45	1.46	1.45
Assoc Br Foods	5.58	5.54	5.58	5.52
BAA	5.93	5.80	5.82	6.01
Barclays	12.75	12.33	12.42	12.83
Bass	8.25	8.05	8.06	8.24
BAT Ind	5.22	5.13	5.16	5.29
Bank Scotland	4.29	4.14	4.20	4.25
Blue Circle	4.27	4.15	4.22	4.29
BOC Group	10.75	10.57	10.58	10.83
Boots	8.26	8.07	8.24	8.16
BPB Ind	3.07	3	3	3.07
Brit Aerosp	13.24	13.13	13.15	13.27
Brit Airways	6.92	6.33	6.64	6.82
BG	2.54	2.48	2.52	2.51
Brit Land	6.21	6.08	6.09	6.31
Brit Petm	8.13	8.05	8.08	8.13
BSkyB	4.37	4.23	4.28	4.43
Brit Steel	1.56	1.54	1.55	1.56
Brit Telecom	4.25	4.12	4.16	4.30
BTR	1.98	1.94	1.95	1.99
Burmah Castrol	10.38	10.22	10.26	10.48
Burton Gp	1.32	1.30	1.32	1.32
Cable Wireless	6.17	5.96	6.01	6.13
Cadbury Schw	5.93	5.83	5.86	5.98
Carlton Comm	4.83	4.71	4.73	4.87
Comml Union	7.02	6.73	6.94	6.82
Compass Gp	6.17	6.10	6.14	6.18
Courtaulds	3.15	3.05	3.08	3.16
Dixons	5.55	5.35	5.44	5.62
Electrocomponents	4.37	4.31	4.31	4.41
Energy Group	6.54	6.47	6.50	6.51
Enterprise Oil	6.90	6.78	6.81	6.94
Fam Colonial	1.71	1.68	1.69	1.70
Genl Accident	8.99	8.83	8.90	9.19
GEC	3.68	3.56	3.56	3.60
GKN	10.02	9.88	9.88	10.07
Glaxo Wellcome	13.30	13.08	13.18	13.26
Granada Gp	7.70	7.53	7.57	7.87
Grand Met	6.14	6.02	6.06	6.26
GRE	2.90	2.86	2.89	2.97
Greenalls Gp	4.64	4.58	4.63	4.61
Guinness	6.12	6.04	6.08	6.19
GUS	6.12	5.98	5.98	6.11
Hays	5.84	5.78	5.80	5.82
HSBC Hldgs	20.67	19.83	19.97	20
ICI	9.20	9.06	9.14	9.28
Impl Tobacco	3.82	3.70	3.77	3.73
Kingfisher	7.32	7.23	7.27	7.47
Ladbroke	2.65	2.55	2.57	2.68
Land Sec	9.28	9.20	9.23	9.37
Lasmo	2.60	2.55	2.60	2.64
Legal Genl Grp	4.25	4.16	4.19	4.28
Lloyds TSB Gp	6.70	6.47	6.57	6.94
LucasVarity	1.86	1.83	1.85	1.85
Marks Spencer	5.84	5.74	5.80	5.84
MEPC	5	4.93	4.97	4.99
Mercury Asset	12.67	12.52	12.53	12.71
National Grid	2.61	2.54	2.55	2.59
Natl Power	5.52	5.39	5.46	5.47
NatWest	8.62	8.43	8.57	8.49
Next	7.44	7.30	7.31	7.52
Norwich Union	3.20	3.11	3.15	3.19
Orange	2.10	2.06	2.07	2.09
P&O	6.22	6.12	6.12	6.35
Pearson	6.70	6.62	6.63	6.71
Pilkington	1.25	1.20	1.22	1.20
PowerGen	7.88	7.78	7.83	7.80
Premier Farnell	4.80	4.76	4.80	4.80
Prudential	5.80	5.53	5.62	6.05
Railtrack Gp	7.60	7.50	7.56	7.57
Rank Group	3.48	3.38	3.42	3.53
Reckitt Colm	9.52	9.43	9.48	9.57
Redland	3.02	2.97	2.97	2.98
Reed Intl	6.06	5.98	6	6.20
Rentokil Initial	2.12	2.05	2.07	2.11
Reuters Hdgs	6.07	5.90	5.94	6.16
Rexam	2.49	2.43	2.46	2.48
RMC Group	9.66	9.53	9.61	9.66
Rolls Royce	2.26	2.19	2.19	2.25
Royal Bk Scot	6.36	6.27	6.33	6.37
RTZ reg	10.18	9.98	10.04	10.27
Royal & Sun All	4.90	4.76	4.82	5.08
Safeway	3.89	3.84	3.89	3.87
Sainsbury	4.30	4.20	4.23	4.29
Schroders	17.98	17.55	17.55	18.32
Scot Newcastle	7.21	7.08	7.14	7.34
Scot Power	4.69	4.50	4.53	4.67
Securicor	2.60	2.55	2.55	2.60
Severn Trent	8.80	8.55	8.60	8.87
Shell Transp R	4.27	4.21	4.24	4.35
Siebe	9.95	9.75	9.78	9.95
Smith Nephew	1.76	1.72	1.74	1.73
SmithKline	11.85	11.68	11.70	12.08
Smiths Ind	7.32	7.27	7.27	7.32
Sthern Elec	4.65	4.60	4.62	4.68
Stagecoach	7.42	7.17	7.35	7.25
Stand Charter	9.90	9.63	9.72	10.38
Tate & Lyle	4.30	4.27	4.27	4.29
Tesco	4.28	4.20	4.20	4.31
Thames Water	8.04	7.75	7.83	8.07
3i Group	4.89	4.78	4.82	4.89
TI Group	5.04	4.98	4.98	5.05
Tomkins	3.02	2.92	2.99	2.95
Unilever	17.35	16.97	16.98	17.33
Utd Assurance	4.30	4.22	4.22	4.32
Utd News	6.82	6.70	6.71	6.91
Utd Utilities	7.71	6.97	6.97	7.73
Vendome Lx uts	4.51	4.46	4.48	4.55
Vodafone	3.06	2.99	3.03	3.08
Whitbread	8.33	8.22	8.27	8.39
Williams Hdgs	3.30	3.26	3.29	3.26
Wolseley	4.37	4.32	4.37	4.41
WPP Group	2.42	2.39	2.40	2.40
Zeneca	21.95	20.70	21.15	21.32

Madrid
Bolsa index: 595.95 Previous: 603.29

	High	Low	Close	Prev.
Acerinox	27000	26440	26720	26950
ACESA	1810	1725	1795	1790
Aguas Barcelon	6070	5970	6060	6100
Argentaria	8690	8470	8560	8800
BBV	13190	12700	12810	12810
Banesto	1465	1440	1450	1450
Bankinter	26990	25000	25500	25500
Bco Centro Hisp	5900	5770	5900	5960
Bco Popular	34990	33700	34600	34100
Bco Santander	4400	4265	4325	4450
CEPSA	4920	4800	4875	4900
Continente	3575	3400	3570	3550
Corp Mapfre	8720	8470	8680	8880
Endesa	12080	11730	11890	11950
FECSA	1245	1200	1240	1215
Gas Natural	31900	30010	30370	30370
Iberdrola	1720	1690	1695	1720
Pryca	3275	3065	3275	3200
Repsol	6310	6170	6250	6320
Sevillana Elec	1450	1370	1450	1440
Tabacalera	8090	7800	7800	8000
Telefonica	4200	4085	4110	4225
Union Fenosa	1235	1210	1220	1235
Valenc Cement	2570	2515	2535	2560

Manila
PSE index: 2648.34 Previous: 2672.95

	High	Low	Close	Prev.
Ayala B	18.25	17.50	17.50	18.25
Ayala Land	23.75	22.75	22.75	23
Bk Philip Isl	163	156	156	162
C&P Homes	9.40	9.20	9.20	9.20
Manila Elec A	83.50	83	83.50	83
Metro Bank	555	545	555	555
Petron	6.10	6	6.10	6.10
PCIBank	238	238	238	234
Phil Long Dist	940	940	940	945
San Miguel B	60.50	59	59.50	63
SM Prime Hdg	7.50	7.40	7.40	7.40

Mexico
Bolsa index: 4689.86 Previous: 4720.56

	High	Low	Close	Prev.
Alfa A	56.30	55.40	56.00	56.50
Banacci B	20.00	19.76	19.76	20.00
Cemex CPO	37.50	36.90	37.10	37.60
Cifra C	13.78	13.36	13.36	13.78
Emp Moderna	45.00	44.00	44.00	45.00
Gpo Carso A1	57.00	55.80	55.80	57.00
Gpo F Bcomer	2.59	2.47	2.49	2.59
Gpo Fin Inbursa	35.80	35.65	35.80	36.00
Kimb Clark Mex	32.50	31.90	32.10	32.10
Televisa CPO	110.40	105.00	105.00	113.00
TelMex L	19.76	19.40	19.44	19.90

Milan
MIB Telematico: 14626.00 Previous: 14541.00

	High	Low	Close	Prev.
Alleanza Assic	16200	15660	16000	16100
Bco Comm Ital	4400	4230	4400	4390
Bco Fideuram	6320	5675	6320	5850
Bca di Roma	1490	1420	1431	1468
Benetton	27950	27300	27500	27800
Credito Italiano	3600	3450	3600	3485
Edison	8950	8650	8765	8710
ENI	10380	10050	10335	10225
Fiat	6375	6120	6285	6930
Generali Assic	37200	35100	36000	36650
IMI	16490	15900	16070	15860
INA	2710	2580	2640	2715
Italgas	5820	5750	5790	5775
Mediaset	8125	7555	8095	7650
Mediobanca	12600	11900	12390	12600
Montedison	1224	1186	1206	1219
Olivetti	490	460	461	461
Parmalat	2490	2425	2490	2490
Pirelli	4840	4735	4740	4795
RAS	15540	14940	15540	15350
Rolo Banca	23000	21900	22950	22500
S Paolo Torino	14500	14050	14200	14600
Stet	11880	10700	10710	10710
TIM	5915	5595	5805	5800

Montreal
Industrials index: 3581.46 Previous: 3653.82

	High	Low	Close	Prev.
Bce Mob Com	46.15	45¾	46.15	46
Cdn Tire A	27.65	27.20	27.20	27.65
Cdn Util A	39.30	39.20	39.30	39.55
CT Finl Svc	44	41.65	41.95	43
Gaz Metro	18.85	18½	18.80	18.55
Gt-West Lifeco	32¾	32¼	32¼	32½
Imasco	43½	42½	42.60	42¾
Investors Grp	31¼	31¼	31¼	31¼
Loblaw Cos	20.30	20¼	20¼	21
Natl Bk Canada	18.10	17.80	17.90	18
Power Corp	36½	36¼	36.35	36½
Power Finl	34	33½	34	34.20
Quebecor B	27¾	27.55	27.60	27.80
Rogers Comm B	9.90	9.90	9.90	10.20
Royal Bk Cda	67.85	67	67.15	67.95

Oslo
OBX index: 670.53 Previous: 678.55

	High	Low	Close	Prev.
Aker A	148	146	147	152
Bergesen Dy A	188	182	188	187.50
Christiania Bk	26	25.80	25.80	26.10
Den norske Bk	30.40	30	30.20	30
Elkem	147.50	140	146.50	144.50
Hafslund A	46.20	45	45	46.50
Kvaerner Asa	438	430	436	440
Norsk Hydro	395	385	388	398
Norske Skog A	281	278	280	282
Nycomed A	137.50	136	136	136.50
Orkla Asa A	547	505	537	555
Petlm GeoSvc	364	357	361	363
Saga Petlm A	143	141	142	144
Schibsted	145.50	144	144	146.50
Transocean Off	605	603	605	605
Storebrand Asa	47.80	47.20	47.80	47.80

Paris
CAC-40: 2874.12 Previous: 2876.69

	High	Low	Close	Prev.
Accor	918	893	917	918
AGF	199.60	195.10	198.50	203.50
Air Liquide	942	915	938	936
Alcatel Alsth	747	728	743	732
AXA-UAP	382.30	374.20	381.50	380
Bancaire	707	701	704	710
BIC	945	921	945	930
BNP	251	243.10	246.60	248
Canal Plus	1098	1070	1085	1099
Carrefour	4096	4010	4072	4050
Casino	285.80	280	284	282
CCF	252.10	246.60	250	250
Cetelem	683	673	681	681
Christian Dior	1000	986	986	1000
CLF-Dexia Fran	589	553	589	569
Credit Agricole	1260.10	1255.20	1260.10	1286
Danone	943	928	941	946
Elf-Aquitaine	659	645	659	661
Eridania BS	864	820	853	854
Eurodisney	8.20	8.05	8.20	8.20
Eurotunnel	6.65	6.45	6.65	6.50
Gen. Eaux	729	711	721	734
Havas	401	395.50	399.90	399
Imetal	792	778	792	788
Lafarge	381	376.10	380	381
Legrand	1162	1135	1140	1143
L'Oreal	2444	2350	2441	2400
LVMH	1572	1530	1564	1577
Suez Lyon Eaux	678	662	669	682
Michelin B	363.90	350.20	356	364
Paribas A	399.80	389	398	395
Pernod Ricard	302	296.10	302	301
Peugeot Cit	588	575	579	590
Pinault-Print	2835	2702	2829	2732
Promodes	2498	2370	2477	2450
Renault	159	149	155.50	153
Rexel	1700	1681	1700	1680
Rh-Poulenc A	243.70	237.80	242.30	247.60
Sanofi	537	526	533	538
Schneider	332.50	315.60	329	323.90
SEB	1045	1015	1016	1031
SGS Thomson	538	527	528	546
Ste Generale	720	702	710	715
Sodexho	3086	3026	3046	3075
St Gobain	842	825	831	852
Suez	16.55	16.10	16.30	16.55
Synthelabo	767	755	760	765
Thomson CSF	164.90	160.20	164.60	164.10
Total B	581	566	575	577
Usinor	114.40	112.60	114	113.50
Valeo	399	389.10	397.50	394.50

São Paulo
Bovespa index: 11175.40 Previous: 11181.80

	High	Low	Close	Prev.
Bradesco Pfd	9.90	9.70	9.750	10.00
Brahma Pfd	802.00	800.00	801.01	800.00
Cemig Pfd	53.00	50.510	51.99	51.00
CESP Pfd	70.50	68.49	68.49	68.70
Copel	20.70	18.50	19.00	19.00
Eletrobras	538.00	502.00	509.00	500.00
Itaubanco Pfd	570.00	545.00	545.00	569.00
Light Servicos	530.00	528.00	528.00	535.00
Lightpar	423.00	415.00	416.00	422.00
Petrobras Pfd	286.80	277.00	279.01	283.00
Paulista Luz	182.00	181.00	181.00	182.00
Sid Nacional	34.00	34.00	34.00	34.10
Souza Cruz	9.80	9.69	9.70	9.74
Telebras Pfd	141.99	138.00	139.50	140.00
Telemig	147.98	145.00	145.00	146.51
Telerj	150.00	147.00	148.00	149.50
Telesp Pfd	330.00	319.08	320.00	325.00
Unibanco	40.00	39.00	40.00	39.98
Usiminas Pfd	11.40	10.90	11.20	11.15
CVRD Pfd	26.80	26.10	26.40	26.80

Seoul
Composite index: 740.93 Previous: 747.37

	High	Low	Close	Prev.
Dacom	102000	99400	101000	99900
Daewoo Heavy	7800	7550	7700	7740
Hyundai Eng.	21900	21400	21400	21800
Kia Motors	12500	11600	12100	11500
Korea El Pwr	27700	27000	27200	27800
Korea Exch Bk	5400	5130	5310	5100
Korea Mob Tel	504000	496000	503000	497000
LG Semicon	39300	37400	38500	38800
Pohang Iron St	64700	63200	64200	64000
Samsung Display	46600	45100	46000	45900
Samsung Elec	70000	67000	68800	68100
Shinhan Bank	9600	9300	9600	9300

Singapore
Straits Times: 1950.75 Previous: 1924.23

	High	Low	Close	Prev.
Asia Pac Brew	5.70	5.60	5.70	5.50
Cerebos Pac	5.90	5.80	5.80	5.90
City Devts	13.90	13.60	13.90	13.80
Cycle Carriage	12.80	12.60	12.60	12.80
Dairy Farm Int*	0.83	0.80	0.80	0.81
DBS foreign	19.70	19.10	19.50	19.10
DBS Land	4.64	4.52	4.58	4.54
Fraser & Neave	10.30	9.80	10.10	9.80
HK Land*	2.57	2.52	2.52	2.57
Jard Matheson*	7	6.95	7	6.95
Jard Strategic*	3.64	3.56	3.56	3.62
Keppel	3.79	3.66	3.68	3.78
Keppel Bank	3.78	3.66	3.68	3.78
Keppel Fels	4.94	4.80	4.94	4.76
Keppel Land	4.22	4.12	4.20	4.12
OCBC foreign	15.50	15	15.40	15.20
OS Union Bk F	9.70	9.40	9.55	9.30
Parkway Hdgs	6.50	6.45	6.50	6.50
Sembawang	6.95	6.70	6.95	6.65
Sing Air foreign	13.50	13.20	13.50	13.30
Sing Land	7.20	7.05	7.20	7.05
Sing Press F	28.70	27.90	28.30	28.60
Sing Tech Ind	3.88	3.72	3.86	3.74
Sing Telecomm	2.70	2.65	2.70	2.63
Tat Lee Bank	2.89	2.85	2.88	2.83
Utd Industrial	1.10	1.08	1.09	1.08
Utd OSea Bk F	14.10	15.40	16.10	15.40
Wing Tai Hdgs	4.22	4.14	4.22	4.10

*: in U.S. dollars.

Stockholm
SX 16 index: 3414.12 Previous: 3459.40

	High	Low	Close	Prev.
AGA B	107	105	107	107
ABB A	109	106	107.50	107.50
AssiDoman	238	231	234	235
Astra A	148.50	145	146	148.50
Atlas Copco A	239	228.50	239	235.50
Autoliv	293	288	292.50	291.50
Electrolux B	640	621	630	640
Ericsson B	338	321	326	329.50
Hennes B	334	319.50	329	325
Incentive A	682	677	680	690
Investor B	415	404	407	417
MoDo B	272	265.50	268	274
Nordbanken	260	255	260	261
Pharm/Upjohn	289.50	284	287.50	290
Sandvik B	249	241.50	247.50	245
Scania B	235	230.50	231	236
SCA B	169	163.50	167	170
S-E Banken A	91	89	89.50	91.50
Skandia Fors	324	312.50	316	325
Skanska B	352	343.50	346	353
SKF B	217	214	215.50	218
Sparbanken A	176	169	172.50	172
Stora A	129	127	128	129.50
Sv Handles A	253.50	250	251	254.50
Volvo B	206	124.50	204	207.50

Sydney
All Ordinaries: 2653.40 Previous: 2684.20

	High	Low	Close	Prev.
Amcor	8.50	8.43	8.50	8.54
ANZ Bkng	10.11	9.98	10.06	10.15
BHP	18.43	18.08	18.10	18.56
Boral	3.96	3.91	3.95	3.97
Brambles Ind.	26.65	26.25	26.51	26.74
CBA	16.23	16.07	16.22	16.25
CC Amatil	16.13	15.80	15.91	16.58
Coles Myer	6.60	6.48	6.49	6.55
Comalco	6.91	6.80	6.86	6.90
CSR	4.94	4.86	4.91	4.96
Fosters Brew	2.57	2.54	2.57	2.57
Goodman Fld	1.91	1.86	1.88	1.92
ICI Australia	12.75	12.67	12.70	12.80
Lend Lease	28.10	27.80	27.81	28.30
MIM Hdgs	1.77	1.74	1.76	1.77
Nat Aust Bank	19.32	19.15	19.22	19.38
Nat Mutual Hdg	2.15	2.10	2.10	2.17
News Corp	6.26	6.14	6.16	6.26
Pacific Dunlop	3.63	3.58	3.62	3.67
Pioneer Int'l	4.88	4.81	4.85	4.90
Pub Broadcast	8	7.74	7.78	8.05
Rio Tinto	21.70	21.41	21.42	21.80
St George Bank	8.45	8.36	8.41	8.45
WMC	7.91	7.66	7.70	7.87
Westpac Bking	8	7.82	7.98	7.90
Woodside Pet	11.20	10.95	11.12	11.15
Woolworths	4.10	4.01	4.03	4.12

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	176.36	-2.26	-1.27	+18.25
Regional Indexes				
Asia/Pacific	132.21	-0.39	-0.29	+7.11
Europe	186.54	+0.03	+0.02	+15.72
N. America	207.06	-2.49	-1.19	+27.89
S. America	157.25	-4.06	-2.52	+37.42
Industrial Indexes				
Capital goods	227.31	-5.45	-2.34	+32.99
Consumer goods	197.34	-1.69	-0.85	+22.24
Energy	193.46	-0.87	-0.45	+13.33
Finance	134.29	-2.52	-1.84	+15.31
Miscellaneous	178.85	-2.91	-1.60	+10.55
Raw Materials	187.95	-2.61	-1.37	+7.17
Service	163.50	-2.51	-1.51	+19.06
Utilities	161.86	-1.48	-0.91	+12.83

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

Taipei
Stock Market index: 9833.77 Previous: 9677.40

	High	Low	Close	Prev.
Cathay Life Ins	158	146.50	157	146
Chang Hwa Bk	133	117	133	116.50
Chiao Tung Bk	85.50	81	84	81
China Develpmt	181	173	175	184
China Steel	32	29.80	31.70	29.30
First Bank	134.50	119	134.50	118
Formosa Plastic	69.50	65.50	69	65
Hua Nan Bk	135	120	135	118.50
Intl Comm Bk	70	63.50	70	63.50
Nan Ya Plastics	78.50	73.50	76.50	73
Shin Kong Life	125	116	124.50	115
Taiwan Semi	160	145	148.50	158
Tatung	50.50	47	50.50	49.10
Utd Micro Elec	160	145	146.50	162
Utd World Chin	68	62	67.50	62

Toronto
TSE Industrials: 6652.97 Previous: 6728.19

	High	Low	Close	Prev.
Abitibi Cons.	27.20	26.65	26.65	27.40
Alberta Energy	32.45	31.70	31.80	33
Alcan Alum	47.95	47.30	47½	47.70
Anderson Expl	17.40	17.10	17.10	17.40
Bk Montreal	56.90	56.05	56.20	57
Bk Nova Scotia	64¼	63.90	63.90	64.60
Barrick Gold	31.45	30.80	30.85	31.65
BCE	41¼	40.90	41.20	41¾
BC Telecomm	34.55	33½	33¾	34.55
Biochem Pharm	35.55	34.90	35.55	34¾
Bombardier B	32¼	31½	31½	32¾
Brascan A	35.80	35.20	35.30	35.90
Cameco	50	49½	49.45	50
CIBC	38½	37.80	37.80	38¼
Cdn Natl Rail	68.60	66¾	66¼	68½
Cdn Nat Res	35¼	35	35	35.30
Cdn Occid Pet	35.60	35¼	35¼	35.80
Cdn Pacific	39¼	38.30	38¼	39¼
Cominco	38.30	38	38.10	38¼
Dofasco	30.80	30.10	30.10	30.80
Domtar	13.10	12.85	12.85	13.10
Donohue A	31.60	31.10	31.10	31.60
Du Pont Cda A	31	30.55	31	30½
Edper Group	23.95	23½	23.60	23.85
EuroNev Mng	43¼	42.05	43	43.10
Fairfax Finl	398	397	398	398
Falconbridge	27.05	26.85	26.90	26.85
Fletcher Chall A	23¼	23	23¼	23.30
Franco Nevada	63	62.10	62¼	62½
Gulf Cda Res	11.45	11.20	11.20	11.45
Imperial Oil	69¼	68.15	68.70	68.90
Inco	40.80	40.45	40.55	40½
IPL Energy	50½	49¾	49.90	50.80
Laidlaw B	20.80	20½	20.40	20¾
Loewen Group	49	48.45	48.45	48¾
Macmill Bldl	19.45	19	19¼	19.30
Magna Intl A	89½	87.30	87½	89½
Methanex	13	12¾	12¾	13
Moore	28.20	27.80	28.20	28.15
Newbridge Net	69.30	67.55	67.55	69.30
Noranda Inc	28.35	27.60	27.70	28.45
Norcen Energy	33¼	33	33	33¾
Nthern Telecom	142	137½	137½	141½
Nova	12.10	12	12	12.05
Onex	32¼	31¼	31¼	32¼
Pancdn Petlm	27.55	27.10	27¼	27.55
Petro Cda	23.20	22.80	22.95	23.20
Placer Dome	22.90	22½	22½	23.40
Poco Petlm	12.95	12.55	12.70	12.90
Potash Sask	109¼	107.40	108.05	110
Renaissance	35.65	35¼	35.35	35.30
Rio Algom	34¼	33½	33¼	34½
Rogers Cantel B	25.65	25½	25.65	25.70
Seagram Co	52.80	51.95	52.80	53
Shell Cda A	21.10	20¼	20.80	21
Suncor	37	35.80	36.10	36.40
Talisman Eny	42.90	42.55	42.55	43.15
Teck B	28.10	27.55	27.80	28.35
Teleglobe	51.35	51.05	51.35	51¼
Telus	26.05	25.65	25.70	26.10
Thomson	34	33½	33.60	33¾
TorDom Bank	43.85	43.30	43.30	44.15
Transalta	16¼	16.55	16.55	16¼
TransCda Pipe	28.05	27.65	27.80	28.05
Trimark Finl	69.65	67½	67½	69
Trizec Hahn	29.85	29¼	29.60	29.85
TVX Gold	6.60	6.35	6.45	6.65
Westcoast Eny	27.20	26.90	27	27.20
Weston	95	92½	92½	94

Vienna
ATX index: 1408.24 Previous: 1430.23

	High	Low	Close	Prev.
Boehler-Uddeh	1039	984	992	1028.10
Creditanst Pfd	531	519	521.50	532
EA-Generali	3590	3490	3530	3595
EVN	1653.80	1607	1618.70	1655.50
Flughafen Wien	529.50	508	510	526
OMV	1699	1634.65	1636	1680
Oest Elektriz	866.50	857	859.55	870.80
VA Stahl	630	600	602	635.50
VA Tech	2589	2510	2543.90	2592
Wienerberg Bau	2625	2561	2580	2615

Wellington
NZSE-40 index: 2459.28 Previous: 2475.91

	High	Low	Close	Prev.
Air N Zeald B	4.52	4.50	4.50	4.54
Brierley Invt	1.36	1.35	1.35	1.37
Carter Holt ord	3.71	3.68	3.70	3.70
Fletch Ch Bldg	4.36	4.30	4.36	4.30
Fletch Ch Eny	4.88	4.85	4.88	4.87
Fletch Ch Forst	1.96	1.95	1.96	1.95
Fletch Ch Paper	3.40	3.36	3.38	3.43
Lion Nathan	3.80	3.78	3.79	3.79
Telecom NZ	7.45	7.33	7.33	7.45
Wilson Horton	11.75	11.75	11.75	11.75

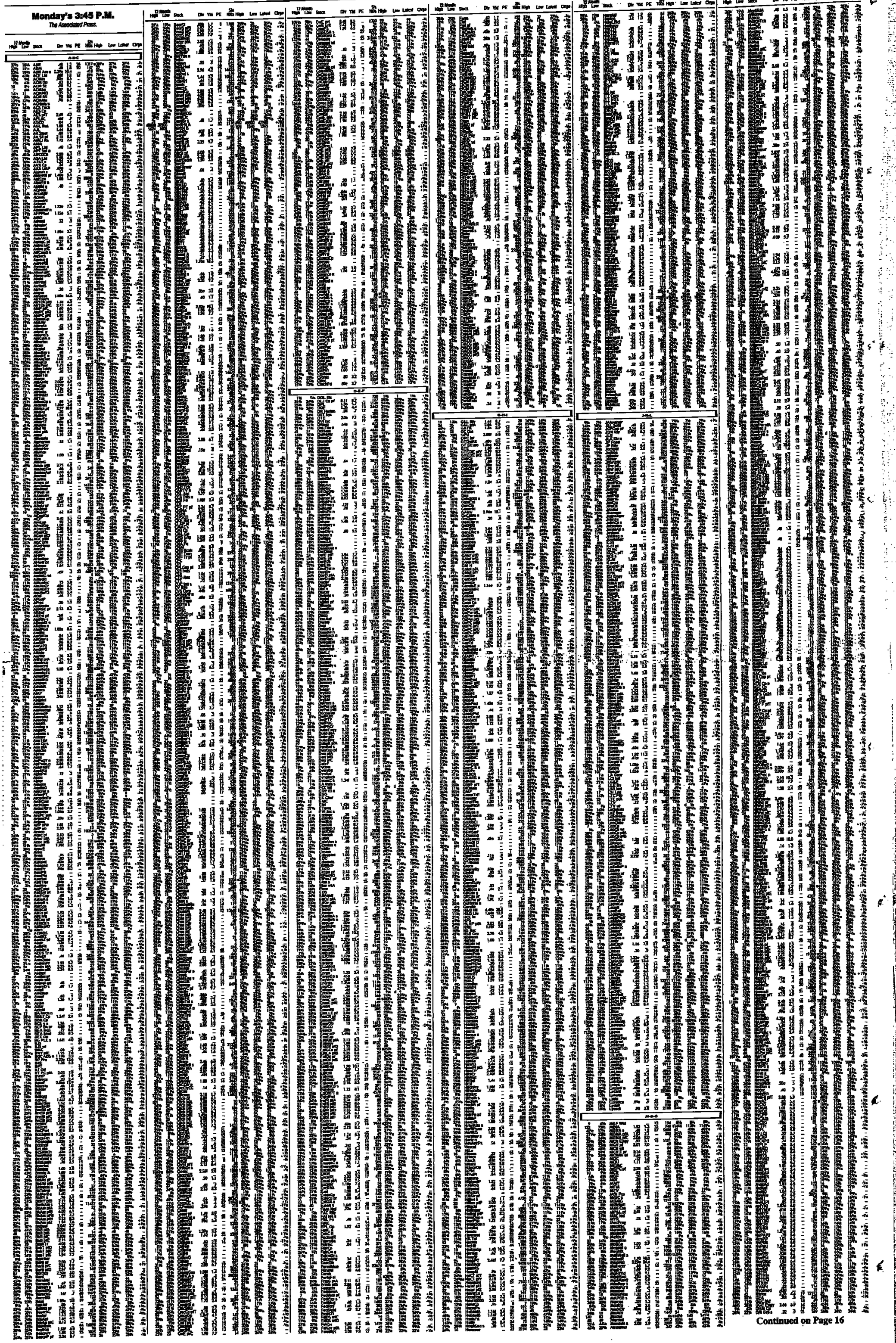
Zurich
SPI index: 3572.56 Previous: 3636.72

	High	Low	Close	Prev.
ABB B	2320	2258	2270	2270
Adecco B	567	545	545	568
Alusuisse R	1371	1350	1356	1380
Ares-Serono B	2240	2200	2223	2250
Atel R	875	875	875	875
Baer Hdg B	2260	2200	2212	2270
Baloise Hdg R	3475	3390	3450	3505
BK Vision	1205	1140	1165	1226
Ciba Spec Chem	135.75	128.50	129	136
Clariant R	964	940	954	976
Crd Suisse Gp R	197.50	188.25	189.50	197.50
Elektrowatt B	540	538	538	540
Ems-Chemie	6770	6550	6630	6670
ESEC Hdg	4795	4720	4720	4795
Holderbank B	1350	1310	1310	1361
Liechtenst LB B	611	605	605	609
Nestle R	1890	1859	1866	1899
Novartis R	2327	2275	2292	2350
Oerlikn Buehr R	160	155	158.75	160.50
Pargesa Hld B	2030	2010	2020	2009
PharmVisn B	891	869	870	899
Richemont A	2289	2277	2286	2297
Pirelli PC	310	303	310	305
Roche Hdg PC	14345	14010	14165	14310
SBC R	405	396	399	403
Schindler PC	1825	1791	1819	1810
SGS B	3085	3015	3050	3100
SMH B	847	825	831	843
Sulzer R	1197	1140	1160	1200
Swiss Reins R	2098	2044	2078	2108
Swissair R	1800	1769	1797	1790
UBS B	1659	1610	1630	1665
Winterthur R	1400	1345	1376	1417
Zurich Assur R	578	565	574	583

NYSE

Monday's 3:45 P.M.

The Associated Press.



Continued on Page 16

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Data Lift Shares in Singapore

Bloomberg News

SINGAPORE — The stock market jumped Monday as a 9 percent rise in June exports was seen as a sign that the economy was gathering steam again.

"Things are picking up, and there's a positive trend of growth," said Ng Bok Eng, an economist at Daiwa Institute of Research (Singapore) Pte.

The benchmark Straits Times index of 30 stocks rose 26.52 points, or 1.38 percent, to 1,950.75. It was the index's biggest one-day gain since May 12. Among the best performers, Sime Singapore Ltd., a car dealer with interests in construction, rose 7 cents, or 7.6 percent, to 99.5 Singapore cents (68 U.S. cents).

The 9 percent rise in exports was larger than analysts expected, but it was due in part to a low base of comparison in June 1996.

"It's easy to point to the good numbers as a result of the low base in June '96," Mr. Ng said, "but there's also a month-on-month increase in non-oil exports, which is a good sign."

Singapore's non-oil exports are a barometer of demand for goods manufactured in Singapore.

June's export figure was up 0.5 percent from the total for May.

Investors will now look to July's export performance for signs of a trend, said David Leow, a senior analyst at HSBC James Capel Securities (Singapore) Pte., adding that comparison could be difficult because July's figures "will take into account the recent volatility in Asian currencies."

The broader DBS50 Index, which includes banks and property stocks, rose 7.08 points, or 1.41 percent, to 508.18, its highest since July 8. The ship-repair companies Keppel Corp. and Sembawang Corp. were among the stocks posting a gain.

Shirwan Crasto/The Associated Press

SEA CHANGE — A fisherman and his family crouching on an overturned canoe in Bombay. When the fishing season begins in August, local fishermen intend to blockade ports throughout India if they spot foreign vessels, which have been accused of overfishing in the region.

Raid Escalates Manila Beer War

Compiled by Our Staff From Dispatches

MANILA — The long-running feud between the two largest brewers in the Philippines reached a new level Monday as San Miguel Corp. said Asia Brewery Inc., its competitor, was responsible for a "Gestapo-like" raid on one of its warehouses.

But Asia Brewery accused San Miguel, the market leader, of hoarding about 2 million Asia Brewery bottles to try to drive it out of business. The accusations were only the latest turn in a corporate conflict that has been fought in the marketplace, in the courts and in Congress.

"This is a continuation of their pursuit to destroy and annihilate Asia Brewery," Guillermo Pecache, the brewer's president, said at a press conference. "They will not stop until we're dead and buried."

Mr. Pecache said a court official and police, accompanied by Asia Brewery officials, searched a San Miguel brewery complex in Pampanga Province, north of Manila, on Friday. He said they had found about 2 million empty bottles of Asia's local beer and other brands that it distributes stored in about 137,000 plastic cases stacked at the back of the property.

He said many bottles had been destroyed and some of the red plastic beer cases had been painted over and marked with San Miguel's logotype.

San Miguel officials acknowledged the bottle cache but disputed its exact size and said they had been accumulated during the life of a bottle-swapping agreement that ended five years ago. The painting of San Miguel logos was done by "unauthorized persons," they said.

"We feel that San Miguel has been terribly wronged," Francis Jardeleza, that brewer's senior vice president, said. "We will want to be vindicated in court."

San Miguel controls about 81 percent of the country's beer market, and Asia Brewery essentially has the other 19 percent, according to estimates by ING Baring Securities Philippines Inc.

Mr. Pecache said San Miguel's hoarding of its bottles and cases had led to shortages of the materials and driven up production costs at Asia Brewery, which is controlled by Lucio Tan, a beer, airline and tobacco executive.

Raymundo Quiroz, an Asia Brewery lawyer, said that after learning of the hoard, the company charged San Miguel with unfair trade practices, a civil action, in a Manila court last week, seeking damages of more than 100 million pesos ($3.5 million). The court then issued a search warrant that was used in Friday's search, he said.

But Mr. Pecache said that after discovering the number of bottles and the tampering with plastic cases, the company decided to increase the claim and file criminal charges. *(Bloomberg, AP)*

Talk of Pact With Taipei Helps H.K. Telecom Rise

Compiled by Our Staff From Dispatches

HONG KONG — Stock in Hong Kong Telecommunications Ltd. rose to a record Monday after a report said it might swap shares with the Taiwan government's telecommunications unit.

An official at Chunghwa Telecom Co., owned by Taiwan's Ministry of Transportation and Communication, said the company had begun talks on swapping shares with its Hong Kong counterpart.

An investment in Hong Kong Telecom, controlled by Cable & Wireless PLC of Britain and partly owned by Chinese companies, would help Chunghwa's expansion in Asia, said George K.J. Lee, vice president of the Taiwan company's global-development business group.

He said the companies had begun discussions and expected formal talks to begin "after Chunghwa's shares go public" next year.

Chunghwa has proposed to strengthen ties with telephone companies in Hong Kong, China and Singapore, he said.

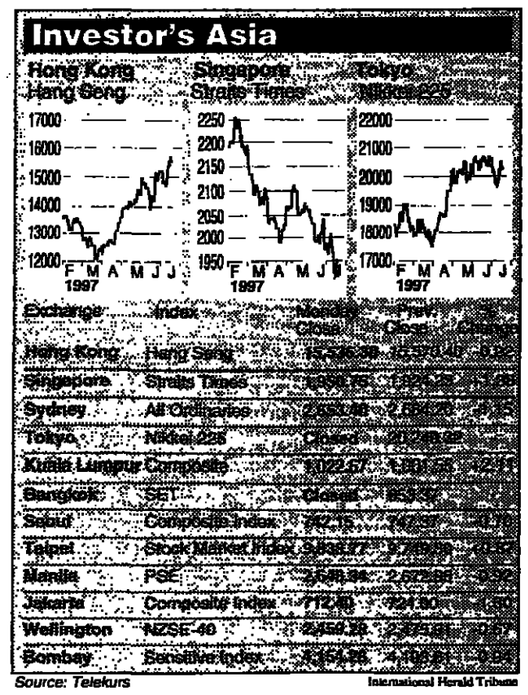
A spokesman at Hong Kong Telecom declined to comment. Hong Kong Telecom closed at 20.25 Hong Kong dollars ($2.61), up 10 cents.

Some analysts, however, said such a deal was unlikely because China viewed telecommunications as a strategic industry and considered Taiwan a renegade province.

(Bloomberg, AFX, Reuters)

■ Stocks Rise in Taiwan

Taiwan shares rose to a seven-year high after the National Assembly passed legislation authorizing government sales of shareholdings in banks and other companies, Bloomberg News reported from Taipei. Taiwan's benchmark index rose 84.47 points, or 0.87 percent, to close at 9,833.77.



Source: Telekurs — International Herald Tribune

Very briefly:

• **Australia** instructed its diplomats to repair relations with its island neighbors in the Pacific Ocean after a leaked top-secret document showed the government had dismissed some of the nations' economic policies as "mayhem."

• **Indian** government employees will stage a one-day strike Tuesday to protest "discriminatory" pay raises, The Times of India newspaper reported.

• **Kia Group** sold 9,800 vehicles Monday, 10 times its daily average, thanks to price cuts and a call by civic groups for the public to support the South Korean conglomerate's fight to avoid bankruptcy. The carmaker's unions, meanwhile, agreed to forego their bonuses, monthly allowances and holiday allowances until business improved. Separately, the company denied it had a plan to raise 3 trillion won ($3.36 billion) through asset sales.

• **China** posted a budget surplus of 38.85 billion yuan ($4.67 billion) for the first six months of 1997, fueled by an increase in a tax on stock trading and reduced payments of export-tax rebates, the Xinhua news agency reported.

• **Chevron Corp.**, a U.S. oil company, said its plans to build a 2 billion Australian dollar ($1.48 billion) natural-gas pipeline from Papua New Guinea to Australia's Queensland state had been delayed at least three weeks by an inquiry by Queensland's state government.

• **China United Telecommunications Corp.**, the country's second-largest phone company, won approval to operate fixed-line service in Shanghai, China's biggest city. The service will be operated with Sprint Corp. of the United States and is expected to begin operations in early September.

• **Renong Bhd.** is negotiating to buy another 1 percent of **KTM Bhd.**, Malaysia's national railroad company, from **Diversified Resources Bhd**, raising its stake in the joint venture to 51 percent.

• **China**'s central bank plans to order curbs on price cutting in the insurance industry as an increasing number of companies challenge the former government monopoly, **People's Insurance Co. (Group) of China.** *Bloomberg, AFP, Reuters*

BSKYB: *Fears of Nepotism at U.K. Broadcaster*

Continued from Page 11

his daughter — without much room to maneuver."

But he would have had a strong incentive to stay. Both he and Mr. Chisholm held unusual positions in the Murdoch empire, where high pay packages are not routine. Mr. Chisholm took home $13.8 million in salary and bonuses over the past two years, while Mr. Chance was paid $5.5 million.

Mr. Chance, in a brief telephone interview, would say only, "It was a personal decision."

Neither the Murdoch family nor Mr. Chisholm returned phone calls for comment.

The corporate changes at BSkyB unnerved investors, who showed their disappointment by sending BSkyB's stock down 4 percent on June 17.

A day later, Britain's Independent Television Commission forbade BSkyB from joining with Carlton Communications PLC and Granada Television PLC to offer consumers digital broadcast television. The decision signaled the British government's determination to take a tougher stand on BSkyB's control of satellite and cable entertainment.

In response, shares of BSkyB fell an additional 8 percent on June 18. The stock has fallen further since, closing Monday at 428 pence ($7.19), down 15 from Friday's close and far below the 588 pence at which the shares were trading before the two executives resigned.

Still, the British ruling last month allowed BSkyB to retain the right to deliver its entertainment services on the new digital broadcast television service, and many analysts viewed the ruling as only a minor setback.

Instead, many said, nepotism was the big issue. "The market doesn't like it," Ms. Barton said. "No one likes to see sons and daughters pushed into management positions. In most cases, they may not be the best person for the job."

IMF: *A Quick-Fix Loan Arranged for Philippines*

Continued from Page 11

a $435 million credit line. The emergency loan should help Manila defend the peso and rebuild its reserves.

Manila's request was approved within a week, an extremely quick turnaround, under the Fund's emergency financial mechanism that was set up in September 1995.

While a senior Fund official said the Philippines qualified for the new credits under normal criteria, he also said it was "a good occasion to try out these new procedures," made easier by the fact that officials of the Fund were already in Manila negotiating a review of the Philippines' current IMF loan program.

In return for the credits, the Philippine government agreed to continue to keep interest rates high, to reduce inflation to 6.5 percent in 1997 from 8.4 percent last year, to keep its budget deficit to 4.5 percent of gross national product and to try to pass the rest of a tax-reform package.

Peter Catranis
Professional Trader
Forex & Futures Specialist

Free Report — Investment Opportunities & Strategies for Trading Today's Markets

SUPERIOR	Selection of Managed Accounts
OUTSTANDING	Analysis for All Major Markets
EXCEPTIONAL	Execution Forex or Futures
FREE	Trading Software & Price Data
COMMISSION	Spot FX 2-5 Pip Price Spreads
COMMISSION	Futures $12-$36 Per Round-Turn

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BULGARIA INVESTMENT FORUM

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STATEMENT OF CONDITION, JUNE 30, 1997

ASSETS		
Cash and Due from Banks		$ 219,760,308
U.S. Government Securities		
Direct and Guaranteed		151,129,635
State and Municipal Securities		62,221,970
Federal Funds Sold		212,940,000
Loans and Discounts		971,581,544
Trading Assets		98,106,404
Customers' Liability on Acceptances		22,494,448
Interest and Other Receivables		67,015,063
Premises and Equipment, Net		45,898,931
Other Assets		17,361,113
		$1,868,509,416
LIABILITIES		
Deposits		$1,452,685,578
Federal Funds Purchased and Securities Sold Under Agreement to Repurchase		35,769,577
Trading Liabilities		101,598,766
Acceptances: Less Amount in Portfolio		22,837,883
Accrued Expenses		32,634,728
Other Liabilities		46,982,884
Capital	$ 57,000,000	
Surplus	119,000,000	176,000,000
		$1,868,509,416

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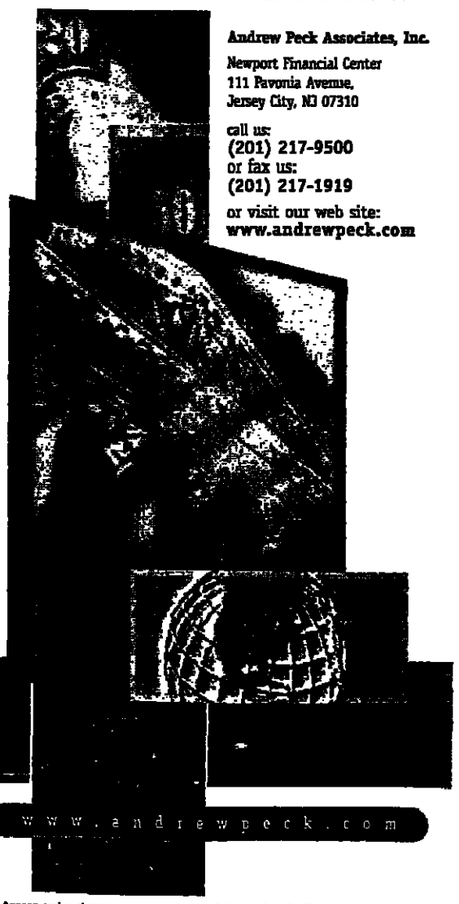

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Continued on Page 16

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w	Inter Globe Fund	$	1.38
	002 ABC INVESTMENT & SERVICES CO (E.C.) Manama-Bahrain,PO 2808,Fx 533062 TI 532235		
m	ABC Islamic Fund (E.C.)	$	150.28
m	ABC Global Recovery Fd	$	143.06
m	ABC Global Bond Fd	$	119.39
	003 ABN AMRO BANK, P.O. Box 283, Amsterdam		
w	Columbia Securities	$	165.38
w	Trans Europe Fund Fl	Fl	186.40
w	Trans Europe Fund $	$	91.85
w	Airenco	Fl	225.40
	004 ABN AMRO Funds Tel : 352-424949,335/347 4, rue J Monnet,2180 Lux,Fx 352-424947,298		
d	Latin America Eq Fd	$	69.89+
d	North America Eq Fd	$	102.14+
d	Asian Tigers Eq Fd	$	46.45+
d	Europe Equity Fd	$	95.57+
d	Japan Equity Fd	$	53.59+
d	Germany Equity Fd	DM	214.47+
d	Global Bond Fd	$	64.04+
d	Europe Bond Fd	$	64.81+
d	US Bond Fund	$	61.49+
d	Germany Bond Fd B	DM	114.02+
d	Spain Bond Fund	Ptas	10900.00+
d	Eastern Europe Eq Fd	DM	245.41+
d	China Equity Fd	$	80.41+
d	Switzerland Equity Fd	SF	181.78+
	005 ABSOLUTE PERFORM T:31 20 677 6173		
m	Chorus International Ltd	$	119.97
m	Kabyar Intl Ltd	$	102.78
m	Pulsar (Multi) Ltd	$	127.32
	006 AES WORLDFOLIO MUTUAL FUNDS		
d	$ Daily Income	$	1.00
d	DM Daily Income	DM	1.00
d	$ Bond Income	$	20.91
d	Non - $ Bonds	$	31.36
d	Global Bonds	$	24.98
d	Global Balanced	$	25.97
d	Global Equities	$	30.09
d	US Conservative Equities	$	20.07
d	US Agressive Equities	$	28.61
d	European Equities	$	17.22
d	Pacific Equities	$	14.27
d	Natural Resources	$	8.84
d	Asia Growth Co	$	18.73
d	Emerg Mkts Dab	$	16.95
	007 AIG ASSET MANAGEMENT Ltd		
w	AIG Amer. Eq. Trust	$	62.3826
w	AIG Asia Emrg Mkts Fd	$	96.5893
w	AIG Balanced World Fd	$	149.2404
w	AIG Eu MidEast Af Em Mk	$	99.5418
w	AIG Euro Small Co Fd Plc	$	206.4457
w	AIG Japan Fund	$	48.9854
w	AIG Japan Small Cos Fd	$	10.59
w	AIG Latin America Fd Plc	$	203.2537
w	AIG Strat Asia Sm Cos	$	109.3616
w	UBZ Euro-Optimizer Fund	Ecu	14.79
w	UBZ Liquidity Fund $	$	132.5451
w	UBZ Liquidity Fund DM	DM	142.9751
w	UBZ Liquidity Fund Ecu	Ecu	143.7594
w	UBZ Liquidity Fund SF	SF	132.1186
	008 ALBATROS PERFORMANCE FUND		
m	Albatros Port Financial	$	16032.63
m	Albatros Port Index DEM	DM	19066.09
m	Albatros Performance USD	$	20073.74
	009 ALFRED BERG (Tel : 46 8 723 58 00) **ALFRED BERG NORDEN**		
d	Aktier	$	395.70
d	Likviditet Svedige	Sek	109.87
d	Obligation Svedige	Sek	119.21
	ALFRED BERG SICAV		
d	Global	$	257.97
d	Germany	DM	409.41
d	Switzerland	SF	340.22
d	Europe	DM	420.03
d	North America	$	297.64
d	Far East	$	109.13
d	Japan	Y	11380.00
	010 ALLIANCE CAPITAL MANAGEMENT c/o Bank of Bermuda (352-40464639)		
w	Alliance US Gr. Strgies A	$	14.84
w	Alliance US Gr. Strgies B	$	14.63
w	Alliance US Gr. Strgies I	$	240.31
w	Alliance US Gr. Strgies N	$	236.30
	c/o GOLDMAN SACHS (CAYMAN) T:8099496770		
m	ACM Research Fd - Class I	$	1091.45
	011 ALPHA FUND MANAGEMENT, LTD 48 Par-La-Ville Rd, Hamilton, HM11 Bermuda		
m	Alpha Atlas Fd Ltd/May31	$	113.17
m	Alpha Atlas Fd-HYC Cl/Jun30	$	160.46
m	Alpha Atlas Fd-Topa/Jun30	$	119.01
m	Alpha Emg Mkts Debt/Jun30	$	218.07
m	Alpha Europe Fd (Jun30)	Ecu	302.49
m	Alpha Futures Fd (Jun30)	$	259.13
m	Alpha Global Fd (Jun30)	$	1161.43
m	Alpha Hdg Fd Cl A/Jun30	$	601.68
m	Alpha Hdg Fd Cl B/Jun30	$	151.41
m	Alpha Hdg Fd Cl C/Jun30	$	152.77
m	Alpha Latin Amer (Jun30)	$	520.03
m	Alpha Pacific Fd (Jun30)	$	393.18
m	Alpha SAM	$	150.49
m	Alpha Short Fd (Jun30)	$	48.84
m	Alpha Tiltdale Fd (Jun30)	$	227.22
m	BCA/Alpha Internatl/Jun30	$	119.20
m	Buch-Ecu EurHdg Jun30	Ecu	123.62
m	Consolidado Lat Am A/Jun30	$	227.92
m	Goodwood Value (May31)	$	222.45
m	Heisei Japan Fund	Y	8961
m	India Performance Fd/Jun30	$	113.93
m	Lafayest Value (May31)	$	169.39
m	Pacif RIM Opp BVI Jun30	$	107.46
m	Stand Pac Cap Offs/May31	$	134.24
m	The Russia Fd (Jun30)	$	310.62
	012 AMERICAN PHOENIX INVT PORTFOLIO		
d	Europa Multinational Ptfl	$	22.50
d	Global Multinational Ptfl	$	25.62
d	U.S. Growth Cos Ptfl	$	17.87
d	U.S. Real Estate Sec Ptfl	$	15.88
	014 ARNHOLD & S. BLEICHROEDER C/o CITCO Tel: 011-5499-322-222		
w	Aetos Corporation	$	11501.73E
w	Aquila International Fund	$	175.55E
w	DEF Associates N.V.	$	17322.31E
w	Eagle Select Fund	$	1108.99E
w	First Eagle Fund	$	106174.29E
w	The Global Beverage Fd	$	132.89E
	015 ASIA PACIFIC PERFORMANCE SICAV		
f	APP	$	12.26
	016 ATLAS CAPITAL MANAGEMENT LTD		
w	The Credit Spectrum Fd	$	1007.54
w	Atlas Global Fd	$	114.74+
w	Atlas Intl Arbitrage Fd	$	1181.77+
m	Convertible Arbitrage Fd	$	1130.91+
m	Challenger Fd	$	1181.65
w	The Discovery Fund	$	1089.31+
w	The Second Atlas Arbitrage	$	1066.82+
	017 BAII Tel: 44-171-734 2790		
f	Interfunded Fd Latest NAV	$	652.56
	Interportfolio Fund		
f	Convertible Fd (FFr)	FF	3247.47
f	Convertible Fd (US$)	$	759.40
f	Comfort Fund (US$)	$	538.72
	018 BANK BRUSSELS LAMBERT (32-2) 547 2632		
d	BBL Invest America Cap	$	686.77
d	BBL Invest Belgium Cap	BF	26109.00
d	BBL Invest Japan Cap	Y	34156.00
d	BBL Invest Latin Amer Cap	$	710.74
d	BBL Invest HK & China Cap	$	359.15
d	BBL Invest Asian Grth Cap	$	375.46
d	BBL Invest UK Cap	£	390.81
d	BBL (L) Inv Goldmines Cap	$	170.46
d	BBL (L) Invest Europe Cap	LF	25724.00
d	BBL (L) Invest World Cap	LF	3890.00
d	BBL (L) Inv Base Mat Cap	$	549.84
d	BBL(L) Inv Telecom & Multi	$	604.57
d	BBL (F) Invest France Cap	FF	494.10
d	BBL Renta Fd Intl Cap	LF	5055.00
d	BBL Patrimonial Bal Cap	LF	29946.00
d	BBL R C Sh-Medium Cap	BF	134561.00
d	BBL & MC Food Convertibles	DM	5767.57
	019 BANQUE BELGE ASSET MGMT FUND Share Distributor Guernsey 441481 726614		
w	Intl Equity Fund	$	13.23
w	Intl Bond Fund	$	16.95
w	Dollar Zone Bd Fd	$	12.29
w	Asia Pacific Region Fd	$	11.23
w	India Fund	$	6.89
w	Sterling Equity Fd	£	1.457
w	Sterling Bd Fd	£	1.086
	201 BANQUE EDOUARD CONSTANT		
w	BEC Div Fd Intelbond	SF	92.01
w	BEC Div Fd Intelsec	SF	272.52
w	BEC Swissbond	SF	302.38
	BANQUE FRANCAISE DE L'ORIENT		
m	BFO Sicav-Global Strategies	$	1046.38
	020 BANQUE INDOSUEZ		
m	The Dragon Fund	$	94.16
b	Maxima Fut Fd Ser 1 Cl A	$	114.231
b	Maxima Fut Fd Ser 1 Cl B	$	109.250
b	Maxima Fut Fd Ser 2 Cl C	$	124.057
m	Indosuez Curr. Cl A Units	$	124.359
d	Gartmore Japan Warrant	$	0.952
d	Indosuez High Yld Bd A	$	107.57
d	Indosuez High Yld Bd B	$	148.73
d	Mexd Espana	Ptas	184456.00
d	Indosuez Latin America	$	12.53
d	Indosuez Multimedia Fd	$	18.49
d	Indosuez Eur Smal Co Fd	DM	15.59
	INDOSUEZ ASSET MGT ASIA		
d	Indosuez Asian Ptfl-Phillip A	$	22.71
d	Indosuez Asian Ptfl-Phillip B	$	21.20
d	ISA Asian Reg. Growth Fd	$	84.67
d	ISA Japan Reg. Growth Fd	Y	742.00
d	ISA Pacific Gold Fund	$	13.48
d	ISA Asian Income Fund	$	12.33
d	Indosuez Korea Fund	$	8.20
d	Shanghai Fund	$	16.49
d	Himalayan Fund	$	15.80
d	Manila Fund	$	22.36
d	The Siam Fund	$	38.42
d	Indosuez Hong Kong Fund	$	79.9236
d	Indosuez Sing & Malay Tst	$	42.9452
d	Indosuez Pacific Tst	HK$	40.7452
d	Indosuez Japan Fd	$	14.2735
d	Indosuez Malaysia Tst	$	28.6995
d	Indosuez Asian Ptfl-Indon A	$	19.60
d	Indosuez Asian Ptfl-Indon B	$	19.77
	021 BANQUE SCS ALLIANCE (4122) 839-4500, Geneva		
w	Pleiade North Am Equities	$	177.48
w	Pleiade Europe Equities	Ecu	232.35
w	Pleiade Asia Pacific Eq	$	179.52
w	Pleiade Environment Eq	$	111.99
w	Pleiade Dollar Bonds	$	115.80
w	Pleiade ECU Bonds	Ecu	140.05
w	Pleiade FF Bonds	FF	122.23
w	Pleiade Intl Conv Bonds	SF	107.80
w	Pleiade Dollar Reserve	$	117.08
w	Pleiade ECU Reserve	Ecu	114.83
w	Pleiade SF Reserve	SF	108.69
w	Pleiade FF Reserve	FF	114.24
	198 BARCLAYS GLOBAL INVESTORS HK 42/F Citibank Tower,Citib Pl,3Garden Rd/HK Tel : (852) 2903212		
d	China (PRC) (18/07)	$	16.7932
d	Hong Kong (18/07)	$	84.0032
d	Indonesia (18/07)	$	17.0472
d	Japan (18/07)	$	6.9722
d	Korea (18/07)	$	7.0482
d	Malaysia (18/07)	$	25.4102
d	Philippines (18/07)	$	21.3202
d	Singapore (18/07)	$	21.4592
d	Thailand (18/07)	$	17.9842
d	Asean Fund (18/07)	$	7.4452
d	South East Asia (18/07)	$	39.2012
	022 BARING INTL FD MNGRS (IRELAND) LTD (SIB RECOGNIZED) (FAX 82582) IFSC HSE,Custom Hse Docks,Dub.+4417 16288000		
d	Baring Emerg World Fund	$	0.9172
d	Baring Global Resources	$	13.902
d	High Yield Bond	$	13.232
d	Japan Smaller Cos Fund	$	8.512
d	Baring Eastern Europe Fd	$	15.972
d	World Bond FFR	FF	85.592
	023 BARING INTL FD MNGRS (IRELAND) LTD (NON SIB RECOGNIZED) (FAX 82583)		
d	Australia	$	35.61*
d	Japan Fund	$	22.462
d	Malaysia & Singapore	$	131.722
d	North America	$	54.392
d	Octopus Fund	$	46.17*
d	Pacific Fund	$	125.302
d	International Bond	$	20.98*
d	Europa Fund	$	20.89*
d	Hong Kong	$	202.70
d	Tricolor Warrant	$	20.422
d	Global Emerging Mkts	$	14.932
d	Latin America	$	12.572
d	US Dollar Currency Fund	$	18.452
d	Currency Fund Managed	$	57.482
d	Korea Feeder Fund	$	6.392
d	Europa Select Feeder Fund	$	1.1492
	024 BEACON GLOBAL ADVISORS LTD		
m	Coastal Coys Ltd	$	4967.31
m	Compass Series N. Ltd	$	10617.24
m	Compass Series E. Ltd	$	2630.31
m	Compass Series S. Ltd	$	8233.89
m	Compass Series W. Ltd	$	6844.38
	261 BEC UNIVERSAL FUND		
d	Global Eq USD A (Dis)	$	27.2124
d	Global Eq USD B (Cap)	$	28.2984
d	Global Bonds USD A (Dis)	$	14.8855
d	Global Bonds USD B (Cap)	$	24.8023
d	Global Bonds FRF A (Dis)	FF	132.6305
d	Global Bonds FRF B (Cap)	FF	208.0077
d	Europe ECU A (Dis)	Ecu	243.0398
d	Europe ECU B (Cap)	Ecu	262.8854
d	Far East USD A (Dis)	$	22.7735
d	Far East USD B (Cap)	$	24.7585
d	Japan JPY A (Dis)	Y	1027.7310
d	Japan JPY B (Cap)	Y	1027.7310
d	Parsec FRF B (Cap)	FF	151.1526
d	Latin Am USD A (Dis)	$	22.7781
d	Latin Am USD B (Cap)	$	24.0285
d	Nordic Eq Sek B (Cap)	Sek	175.8220
	025 BELINVEST FUNDS		
m	Belinvest Brazil Select Fd	$	135.47+
m	Belinvest Emerging Fd	$	1040.41
m	Belinvest Equity Fund Plc	$	111.98
m	Belinvest-Multibond	$	1092.79
	026 BERGHAUSER CAM ZURICH (41.1.3962920) E-MAIL: Info@berghauser.com		
w	Artisto Bio-Medical Grth	$	4.70E
w	Artisto Cap Grth Fd. Ltd	$	6.29E
w	Artisto High Tech Growth	$	3.74E
w	Artisto High Yld Opp Fd Ltd	$	4.88
	027 BOWEN CAPITAL MGT		
w	Seward Asia Fund	$	11.8618
w	Zipangu Fund	$	8.7875
	031 CALLANDER Tel:4122-1-5374994 Fax:5374599		
w	Callander F-Asset	$	759.58
w	Callander F-Austrian	AS	1473.56
w	Callander F-Eastern Europe	DM	169.27
w	Callander F-Growth Opp	$	191.06
w	Callander F-Spanish	Ptas	14581.00
w	Callander F-Swiss Growth	SF	232.34
w	Callander F-US Health Care	$	69.72
	032 CAPITAL INTERNATIONAL		
w	Capital Intl Fund	$	211.27
w	Capital Italia SA	$	59.17
	033 CAPITAL INVESTMENT GROUP PLC		
w	Capital Growth Fund	$	10.11
	034 CDC INTERNATIONAL		
w	CEP Court Terme	FF	20284.47
	035 CHEMICAL (IRELAND) FD ADM LTD 353-1 66 12 433		
w	AHL Diversified Plc	$	16.05
	205 CHILTON c/o Citco Fund Services (Curacao) N.V. Tel : (599-9) 32 22 22		
b	Chilton Intl (BVI) Ltd Cl A	$	18412.09E
b	Chilton Intl (BVI) Ltd Cl B	$	18288.45E
b	Chilton Natural Res. (BVI)	$	11460.05
	036 CITIBANK (LUXEMBOURG) S.A. POB 1373 Luxembourg Tel. (352) 451414-1		
d	Citinvest Global Bond	$	122.55
d	Citinvest FGP USD	$	1473.04
d	Citinvest FGP ECU	Ecu	1598.55
d	Citinvest FGP ESP	Ptas	11713.00
d	Citinvest Selector	$	1803.31
d	Citicurrencies USD	$	1904.08
d	Citicurrencies DEM	DM	158.62
d	Citicurrencies GBP	£	192.48
d	Citiport N.A. Equity	$	431.71
d	Citiport Cont. Euro Equity	Ecu	280.11
d	Citiport UK Equity	£	192.78
d	Citiport French Equity	FF	1994.54
d	Citiport German Equity	DM	142.84
d	Citiport Japan Equity	Y	4540.00
d	Citiport IAPEC	$	320.47
d	Citiport Eamec	$	143.27
d	Citiport N.A. S Bond	$	192.17
d	Citiport Euro Bond	Ecu	194.65
d	Citiport Jap Sm Cap	Y	7981.00
d	Citiport Italian Equity	Lit	141082.00
d	Citiport US Opp Bond	$	104.38
d	Citiport US Eq Gro	$	131.12
d	Citiport US Sm Cap	$	97.31
d	Citiport II S7 Bond	Lit	105292.00
d	Citiport II Ll Bd	ITL	110362.00
d	CL Asian Income Fund	$	111.06
d	CL MGD Currency Fund	$	182.43
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d	Money Manager I	$	11.16
d	Money Manager II	$	11.21
d	Citiselect Ptfl Balanced Fd	$	11.87
d	Citiselect Ptfl Growth Fd	$	11.94
d	Citiselect Ptfl Enhanced Grth	$	11.80
	038 CITIBANK GLOBAL ASSET MGT (ASIA) Ltd Tel 00 852 2868 6244 Fax 00 852 2523 1379		
d	CIF (Cayman) Asia Eq	$	9.32
d	CIF (Cayman) H.K. Eq	$	18.16
	039 CITITRUST		
m	Citiperformance PM S.A.	$	22.085
	040 CONCEST (33-1) 44 78 75 18		
w	C.F.E. Oryx Fund	$	14.1487
f	C.F.E. Lotus Fund	$	12.1150
w	Comgest Asia	$	15.1466
w	Comgest Europe	SF	2707.80
w	Panda Sicav	$	1017.08
	041 CONZETT HOLDINGS LTD Internet site: www.conzett.com		
w	Controvest Limited	SF	1924.21
w	Conzett Europa Invest Ltd	SF	1745.21
w	Conzett Forex Fund Ltd	SF	2286.80
w	Emerg Mkts Quant Fd Ltd	DM	1300.54
w	Equilibrium Fund Ltd	DM	1190.07
w	Sunflower Trading Fd Ltd	DM	1885.82
	042 COWEN ASSET MANAGEMENT Cowen Enterprise Fund N.V.		
w	Class A Shs	$	1280.78
w	Class B Shs	$	1972.33
	043 CREDIS INVESTMENT FUNDS Tel +41 1 333 8500 Fax +41 1 221 3425		
d	CS Portf Fix Inc (DM) A	DM	1040.79
d	CS Portf Fix Inc (DM) B	DM	1114.34
d	CS Portf Fix Inc (SFR) A	SF	1026.41
d	CS Portf Fix Inc (SFR) B	SF	1078.66
d	CS Portf Fix Inc (US$) A	$	1023.18
d	CS Portf Fix Inc (US$) B	$	1101.07
d	CS Portf Inc DM A	DM	1171.35
d	CS Portf Inc DM B	DM	1270.06
d	CS Portf Inc (Lira) A	Lit	1156134.00
d	CS Portf Inc (Lira) B	Lit	1210109.00
d	CS Portf Inc SFR A	SF	1135.34
d	CS Portf Inc SFR B	SF	1277.37
d	CS Portf Inc US$ A	$	1059.38
d	CS Portf Inc US$ B	$	1236.14
d	CS Portf Bal DM	DM	1428.00
d	CS Portf Bal SFR	SF	1356.09
d	CS Portf Bal US$	$	1294.08
d	CS Portf Focus SFR A/B	SF	1122.92
d	CS Portf Growth DM	DM	1464.92
d	CS Portf Growth SFR	SF	1360.44
d	CS Portf Growth US$	$	1330.24
d	Credis Money Mkt Fd BEF	BF	63704.00
d	Credis Money Mkt Fd C$	C$	1516.96
d	Credis Money Mkt Fd DM	DM	1770.74
d	Credis Money Mkt Fd Ecu	Ecu	1610.52
d	Credis Money Mkt Fd HFl	Fl	1138.11
d	Credis Money Mkt Fd Lit	Lit	1551524.00
d	Credis Money Mkt Fd Pta	Ptas	157331.00
d	Credis Money Mkt Fd SF	SF	631.29
d	Credis Money Mkt Fd $	$	2094.58
d	Credis Money Mkt Fd Yen	Y	147537.00
d	Credis Money Mkt Fd £	£	2800.05

999 Other Funds

m	Absolute Return Mgt. ARM	$	1140.51
f	Acteon Leveraged Fd	$	120.04
w	Adelaide	FF	1335.18
w	Adelaide	$	219.67
d	Alexandra Glbl Invest Fd I	$	18.14
m	Alta Futures Fd Ltd	$	1107.28
w	Anes Investment	SF	11308.70
w	Argus Fund Bond	SF	880.13
w	Argus Fund Equity	SF	1809.08
d	Arima Fd Ltd	$	8.57
d	Asia Oceania Fund	$	16.33
d	Asia Vision	$	13.16
m	Asian Selection Hdgs	$	302.65
m	Associated Investors Inc.	$	1115.43
w	Athena Fund Ltd	$	46.76
m	Aurign Intl Ltd	$	103.85
d	BAREX Currency Fund Plc	Lit	18900
w	Bay Harbour	$	1369.952
m	BEM International Ltd	$	14.47
m	Black Diamond Ltd	$	114.49
m	Bleicher Global Fund A	$	394.36
w	Brookeside Invt Ltd (BVI)	$	13.442
m	C.C.I.L.	$	81.00
m	Canterbury Growth Fund Ltd	$	10.86E

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Marks; Dkk - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finish Mark; FL - Dutch Florin; IDR - Indonesian Rupiah; Lit - Italian lira; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; THB - Thai Baht; Y - Yen;

*a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - ● Offer Price incl. 3% prelim. charge; ° - Paris exchange; ++ -Amsterdam exchange; e - telequoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.*

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WORLD ROUNDUP

Philadelphia Trades Veteran Daulton

BASEBALL Darren Daulton, the pillar of the Phillies' 1993 World Series team, was traded Monday to the Florida Marlins for outfielder Billy McMillon.

"What we're doing now is right for everybody," Daulton said at an emotional news conference at Veterans Stadium on Monday. "I grew up from being a boy here to being a man, and I'll always respect that."

As a veteran, Daulton had the right to veto any trade. He has spent 13 years with the Phillies and 17 years in the organization — the longest tenure with one team of any active National Leaguer.

Daulton, 35, had told the Phillies he would prefer going to a contender in the American League that could use him as a designated hitter.

McMillon, 25, has hit .299 in five minor-league seasons. *(AP)*

FIFA Delays on Ronaldo

SOCCER FIFA, the governing body of world soccer, put off a decision Monday on Ronaldo's disputed transfer from Barcelona to Inter Milan, saying the two clubs should work out an agreement between themselves.

Officials of the clubs met for more than four hours but failed to reach a deal on the 20-year-old Brazilian's disputed move to Inter.

FIFA said it would not make its scheduled ruling Tuesday. *(AP)*

Sabres Hire Ruff as Coach

ICE HOCKEY Lindy Ruff, the former captain of the Buffalo Sabres, was hired as coach of the team Monday. He replaces Ted Nolan, the NHL coach of the year who refused a one-year contract extension.

Ruff, an assistant with the Florida Panthers since the 1993-94 season, received a multiyear contract. Despite a fan uproar at the departure of Nolan, the Sabres president, Larry Quinn, said he was confident Ruff, 37, would be accepted. *(AP)*

An Urgent Victory

GOLF Billy Ray Brown, playing with "a sense of urgency" after losing his PGA Tour privileges last year, shot a 5-under-par 67 Sunday to win the PGA Deposit Guaranty Classic in Madison, Mississippi. A birdie on the 18th hole gave Brown a 1-shot victory over his former University of Houston teammate, Mike Standly. *(AP)*

Paul E. Rosa/Agence France-Presse

IN PAIN — Linebacker Nate Newton suffering at the Dallas Cowboys camp in Austin.

Leonard Drives American Ryder Cup Ambitions

Gerry Penny/Agence France-Presse

Justin Leonard wiping away a tear during a speech he made after winning the 126th British Open.

International Herald Tribune

TROON, Scotland — It was enough to make Tom Kite leave the airport and head back to the golf course. Kite is the Ryder Cup captain of the American team, as well as a fellow Texan of the new British Open champion, Justin Leonard. Leonard is something of a protégé of Kite's. He is also the newest playing member of an American team that is looking altogether more promising.

"The first thing he said to me was, 'Welcome to the team,'" the 25-year-old Leonard said about Kite after Leonard's third professional victory and first major title. "You know, Tom is my idol. We had dinner early on in the week. He said, 'You're 10th on the list. Why don't you go ahead and take care of the Ryder Cup this week?'"

The £250,000 ($419,000) first prize vaulted Leonard to third in the Ryder Cup standings. Trends could change in the next two months, but the American team headed for Valderrama in September is led by players just now coming into bloom — Tiger Woods, Leonard and even 38-year-old Tom Lehman.

By comparison, the European leader is Colin Montgomerie, who has failed to win a major championship while breezing through a European tour that offers him little challenge — he is its No. 1 winner all-time, and is seeking a record fifth straight earnings title. The other regulars — Ian Woosnam, Bernhard Langer and Nick Faldo — are all 40 and were showing signs of declining inspiration this week.

Open Golf / **IAN THOMSEN**

The European captain, Seve Ballesteros, will be heartened by the joint second place of Darren Clarke of Northern Ireland, the second-round leader who began Sunday in the final pairing, two strokes behind Jesper Parnevik. Clarke closed with two rounds of even-par in his first attempt at contending for a major title. Lee Westwood of England, another certain member of the European team, finished in an Open tie for 10th. Jose-Maria Olazabal (tied for 20th at 1-under) moved into the top 10 in the team standings, and if he remains there through August then Ballesteros won't have to spend one of his two "wild card" picks on him. He seems certain to use one of them on Faldo, and Parnevik is a contender for the other place.

Yet this tournament emphasized that the American tour is being driven by a more aggressive and ambitious spirit, going back to the ignition of Woods's monstrous professional debut last summer. Leonard was the U.S. Amateur champion in 1992, a couple of years before Woods won three of them in a row. Leonard is a short hitter, and only recently did he discard his persimmon woods — and the control he believed they gave him — in exchange for the metal woods and their healthier length off the tee.

HE HAS referred to himself as "borderline anal retentive" — a neatnik yuppie, not a swashbuckler but an accountant, a clonish product of the modern, rich American tour. But every one of those stereotypes vanished on the scorched links of Royal Troon as he overcame a record-equalling deficit of five shots on the sunny final day. He birdied three of the first four holes and finished the front side in 5-under par 31, leaving him just a stroke behind Parnevik, the Swede who has now squandered two British Opens in the last four years.

In 1994, Nick Price swept past him at Turnberry largely because Parnevik did not gauge his position on the leader board.

From the 10th hole, Troon becomes a long slog home even for the biggest hitters. Maybe Leonard benefited from his limitations, because his driver rarely put him in trouble, apart from leaving him distant approaches to the greens. After bogeying the 10th Sunday, he saved par at 11 from 10 feet. Under the worst pressure, he needed only five putts over the last four holes — saving par from 15 feet at the 15th, and birdieing the next two holes from 15 and 30 feet to blow past Parnevik, whose own game crumbled when he missed a four-footer for birdie at the 16th that would have kept him even with Leonard.

Parnevik bogeyed the last two holes to finish in a tie for second, amounting to a Greg Normanesque turnaround of eight shots with Leonard. All week Parnevik, 32, had been admitting to surprise at his low scoring; in a habitual display of eccentricity he changed putters after the opening round, when he had been the only man to play the blustery back-nine in even par. He would be a good addition to the European team at the Ryder Cup — but probably not, based on Sunday's evidence, as good as Leonard.

Pantani Wins the Stage In an Epic Alpine Battle

Virenque and Ullrich Again Play Tag

By Samuel Abt
International Herald Tribune

MORZINE, France — They liked Sunday's epic Tour de France battle between Richard Virenque and Jan Ullrich so much, they ran it again Monday.

To avoid monotony, however, a few changes were made: The finish was downhill this time instead of uphill;

TOUR DE FRANCE

Bobby Julich, the fine American rider, felt good, and Marco Pantani, the Italian rocket, felt better.

Virenque and Ullrich once again rode away from the field and finished together. But this time they ranked second and third behind Pantani, who was as easy a winner as he was in the first Alpine stage at Alpe d'Huez on Saturday.

He was no factor Sunday, finishing sixth, 3 minutes and 6 seconds behind, because he had a sore throat, he said. Although he reported the same ailment Monday morning, he must have found a miracle cure somewhere in the 208.5 mountainous kilometers (130 miles) between the resorts of Courchevel and Morzine.

"I really have been feeling bad the last few days," Pantani insisted.

"I even told my team officials that if this went on and I kept losing sleep, I wasn't sure I could make it to Paris," where the race ends Sunday. "My throat was sore again today, but I guess I was able to overcome that."

The Italian, who rides for the Mercatone Uno team, is widely recognized as the fastest man over any one mountain in a daily stage of the bicycle race. In his first stage win Saturday, the climb to Alpe d'Huez was the only big one of the day, and he set a speed record on his solo way to victory.

This 15th of 21 stages in the Tour comprised six climbs, half of them major. Pantani waited until the last one, 11.6 kilometers long with an average grade of 8.7 percent, to the Joux Plane Pass to make his move.

With about eight kilometers of ascent ahead, he sliced away on the left and immediately opened a gap over the 10 other leaders.

Riding rapidly through a huge crowd, he was 55 seconds ahead of any pursuer at the top and whizzed through the curves of the 12-kilometer descent into Morzine to win by one minute and 17 seconds.

That was enough to hoist him back into third place overall by 1:42 in the only real battle before the three-week race ends. He switched places with Bjarne Riis, a Dane with Telekom and the defending Tour champion. Their showdown should occur Saturday in a long, flat time trial, where Riis will be favored.

Virenque finished second in the stage Monday, with Ullrich plastered to his back wheel over the final climb and descent to finish third. Both were 1:17 behind the winner, whose overall time of 5:57.16 in sunny and warm weather denoted an average speed of 35 kilometers an hour (22 mph).

Ullrich, a German with Telekom, continued to wear the overall leader's yellow jersey by a comfortable 6:22 over Virenque, a Frenchman with Festina, who leads Pantani by nearly four minutes.

Losing his overall third place, Riis finished eighth, 2:06 behind, preceded by Fernando Escartin, a Spaniard with Kelme, who was seven seconds faster. In another replay of the Sunday stage, they rode together for much of the last hour, with the Spaniard again towing his faltering rival along.

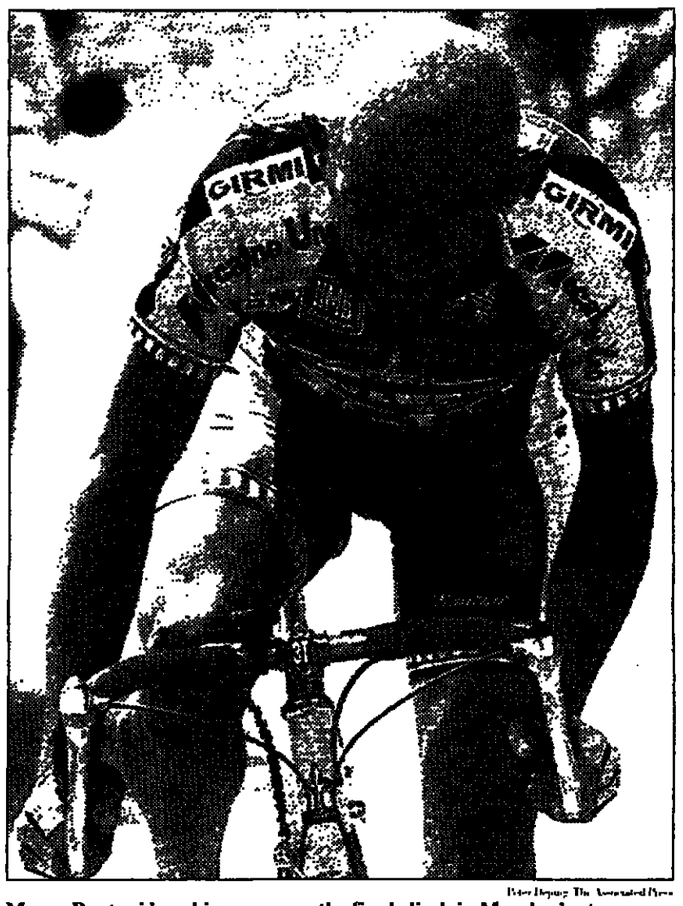
A change in the script, in addition to Pantani, was the emergence of Julich, who rides for the Cofidis team based in France. The 25-year-old American has been gaining strength and confidence since the race started July 5.

"My legs felt really good yesterday, and they feel even better today," he said Monday morning. He finished 18th in the Sunday stage and ended it ranked 25th overall.

For a week he has been saying that he would look for a chance to show the climbing skills that allowed him to wear the king-of-the-mountains jersey for more than a week in the esteemed Vuelta a Espana last fall.

"I saw my opportunity and took it," he said in Morzine after he finished sixth, 1:59 behind the winner, and advanced to 19th overall among the 149 riders left in the Tour. Julich attempted to finish fourth but, he admitted, started his final sprint to the line too early and was passed by two riders.

Until the decisive attack by Pantani, Julich was riding easily with the 10 other leaders, the first time in his first Tour de France that he has been that close to a clear road ahead.



Peter Dejong/The Associated Press

Marco Pantani breaking away on the final climb in Monday's stage.

Weary Korda Loses but Rises

The Associated Press

Petr Korda climbed back into the top 20 in the men's world rankings on Monday after reaching the final of the Legg Mason Classic in Washington.

Korda faded badly in Sunday's final and lost, 5-7, 6-2, 6-1, to Michael Chang, the top seed for the event and the No. 2 in the world.

Korda, ranked No. 21 before the event, had been out of the top 20 since February 1995.

Korda broke Chang in the 12th game of the first set but then was worn down by Chang's baseline game and the hot afternoon conditions.

"I think if I had energy he would have had a heck of a time beating me," Korda said. "If you don't have legs and energy, you can't beat a Michael Chang." Chang broke Korda to open the second set then sat back and ran the Czech around the court.

Korda, who was able to make some brilliant shots in the first set, became more erratic as the match wore on.

He had nine double faults and 64 unforced errors in the 1 hour, 57 minute match.

Chang had just one double fault and 13 unforced errors.

• In Mahwah, New Jersey, fourth-seeded Chanda Rubin beat second-seeded Anna Kournikova, 6-7 (7-2), 6-4, 7-6 (7-4), for her second A&P Classic title in three years.

Rubin was down a service break once in the second set and twice in the third before rallying against Kournikova, 16.

Sanders Signs Top-Paying NFL Contract With Detroit

The Associated Press

UNIVERSITY CENTER, Michigan — Barry Sanders has added another record to his long list: He is now the National Football League's highest-paid player.

Detroit newspapers reported Monday that Sanders, a running back, had agreed Sunday to a five-year contract with the Detroit Lions, with an option for a sixth year. The team did not disclose the value of the contract, but the newspapers placed it at more than $34 million.

The Detroit News and Detroit Free Press reported Monday that Sanders had agreed to a $34.56 million contract that averaged slightly more than $5.7 million a season in compensation. Troy Aikman had been the NFL's top-paid player, averaging $5.67 million a year.

"The thing that sets this apart is that we finally broke the glass ceiling for quarterbacks," said Lamont Smith, one of Sanders's two agents. "Barry's the highest-paid player in the league."

Both newspapers said the deal includes an $11 million signing bonus. The News reported that Sanders agreed to rewrite the 1997 year of his contract, reducing his salary-cap number from $4.2 million to $3.23 million.

The contract also includes a clause stipulating that Sanders be the highest-paid running back in the NFL in the sixth year of the contract, the Free Press reported.

The Free Press quoted sources as saying the biggest sticking point in the negotiations after the financial package was determined was the structuring of payments.

Sanders won the NFL rushing title last season with 1,553 yards, becoming the first back in league history to rush for 1,500 yards or better in three consecutive seasons.

Sanders also was the first back to rush for more than 1,000 yards eight seasons in a row and the first to rush for more than 1,000 yards in each of his first eight seasons.

"I'm pleased that we were able to work this out, and I'm happy to have Barry in camp," said Bobby Ross, who took over this summers as Detroit's head coach said. "Now we have to get to work. He has some catching up to do, and I'm anxious to start working with him."

At a crucial moment in the peace process in Nothern Ireland, Sinn Fein President - Gerry Adams, talks exclusively in depth to Tim Sebastian.

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Herald International Tribune

Argentina Closes in on Finals

Colombia and Chile Also Take Step Toward France

Reuters

Argentina only scored twice against the weakest team in the South American World Cup qualifying group, but that was enough to move it to the top of the group and within one point of a place in the finals in France next year.

Argentina beat Venezuela, 2-0, in Buenos Aires on Sunday. It was Argentina's fourth successive victory in the qualifying tournament.

Even though Argentina won the game, the final score was a disappointment to the

WORLD CUP

capacity crowd at the River Plate stadium against a team that had conceded 34 goals in its previous 12 games.

Hernan Crespo opened the scoring after half an hour, just as the crowd was beginning to show its impatience with the home team, and a substitute, Pablo Paz, headed in the second goal 11 minutes into the second half.

Argentina dominated the game, but was defied time and again by world class goalkeeping from Rafael Dudamel.

Chile 2, Paraguay 1 Ivan Zamorano continued to carry Chile toward the World Cup, scoring both goals against Paraguay in Santiago.

Zamorano took his tally in the World Cup qualifiers to 12 in 12 matches and kept Chile in fourth place in the South American group, just ahead of fifth-placed Bolivia.

Paraguay's second consecutive defeat meant it surrendered top place in the group to Argentina, but it is still well-placed to qualify. The top four teams will go to France.

Victor Hugo Castaneda of Chile and Hugo Brizuela, who scored Paraguay's goal, were sent off for fighting in the second half.

In the ninth minute, Castaneda won the penalty from which Zamorano opened the scoring.

Zamorano struck again in the 51st minute when he rose to head in a cross by Cristian Castaneda.

Brizuela reduced the deficit 10 minutes later when he pounced on a rebound in the penalty area, one minute after coming on as a substitute.

Paraguay has lost two of the three games it has played without its captain and goalkeeper, Jose Luis Chilavert, who is serving a four-match suspension after being sent off against Colombia.

Bolivia 1, Uruguay 0 A perfectly executed free kick by Marco Etcheverry gave Bolivia victory over Uruguay in La Paz.

The result kept alive Bolivia's faint hopes of qualifying for the World Cup, but it was a disaster for Uruguay, which is eighth in the nine-team group.

Etcheverry clobbered a free kick over the Uruguayan wall and into the top corner of the goal in the 75th minute to end an afternoon of suffering for Bolivia, which dominated the match but could not score.

Marcelo Salinas/Agence France-Presse

COCAINE OR CHEESE? — Teammates hug Anthony De Avila after he scored in Colombia's 1-0 victory over Ecuador in a World Cup qualifying match in Bogota. De Avila dedicated his goal to two jailed kingpins of the Cali cocaine cartel. He formerly played for the Cali-based America team. President Ernesto Samper, inaugurating a session of Congress, said the victory had "the flavor of French cheese and the smell of Colombian coffee." The World Cup finals will be in France.

هكذا من الاصل

SPORTS

Walker Homers Twice As Rockies Beat Cubs

The Associated Press

Larry Walker was bound to break out of his slump. Especially on a ripe, windy day at Wrigley Field.

Walker hit two home runs and the Colorado Rockies stopped their eight-game losing streak Sunday with a 9-5 victory over the Chicago Cubs.

Walker had been hitless in 12 at-bats and was coming off an 0-for-9 performance in Saturday's doubleheader

NL Roundup

sweep. But he singled his first time up, then went on to increase his home run total to 29 and his batting average to .395. Both figures lead the National League.

Roger Bailey, Colorado's starting pitcher, was nearly scratched when his wife, Andrea, went into labor early in the day. Doctors gave her medication to slow the labor, and Bailey, who didn't figure in the decision, returned to Denver right after pitching the fifth inning.

"For him to go out there, you've really got to respect him," Walker said. "He gave us his best stuff."

Vinny Castilla also hit two home runs for the Rockies and Eric Young added another. Four of the homers came against Kevin Foster, who has allowed a league-high 21.

"Walker is hitting everybody," Foster said. "He's hitting .400 around the league. If you can make good pitches on him, you'll get him out. I couldn't make good pitches."

Walker hit a two-run homer off Foster in the fifth inning and a two-run shot in the ninth off Mel Rojas. The Rockies won for only the second time in 17 games.

Astros 9, Expos 0 Darryl Kile pitched his major league-leading fourth shutout and Luis Gonzalez homered twice and drove in six runs as Houston won at Montreal. Kile (13-3) allowed four hits and lowered his earned run average to 1.99. He is 12-1 since his worst start of the year, when he lasted just 3⅔ innings at Olympic Stadium on April 30.

A lifetime .112 hitter, Kile helped himself with a double and single.

Gonzalez, 9-for-11 in the three-game series, hit the first grand slam of his career and a two-run homer. He also doubled.

Dodgers 8, Braves 3 Chan Ho Park struck out a career-high 11 in 6⅓ innings and Los Angeles beat John Smoltz. The Dodgers improved to 13-4 in July. Atlanta is 5-6 on its longest home stand of the season.

Park singled home the go-ahead run in the fourth, giving him his first three-game winning streak in the majors.

Smoltz (8-9) has won only twice in 11 starts. The 1996 NL Cy Young winner was 16-4 at this stage last year.

Mets 10, Reds 1 Todd Hundley homered from both sides of the plate and went 4-for-4 with five runs batted in at Shea Stadium.

Hundley connected as a righty leading off the third inning and hit a three-run drive as a lefty in the sixth. He has hit home runs from both sides twice this year and five times in his career. Hundley also doubled as New York won its fourth in a row. Cincinnati has lost three straight.

Phillies 4, Pirates 1 Midre Cummings, waived by Pittsburgh two weeks ago and claimed by Philadelphia, enjoyed a big day against his former team at Veterans Stadium.

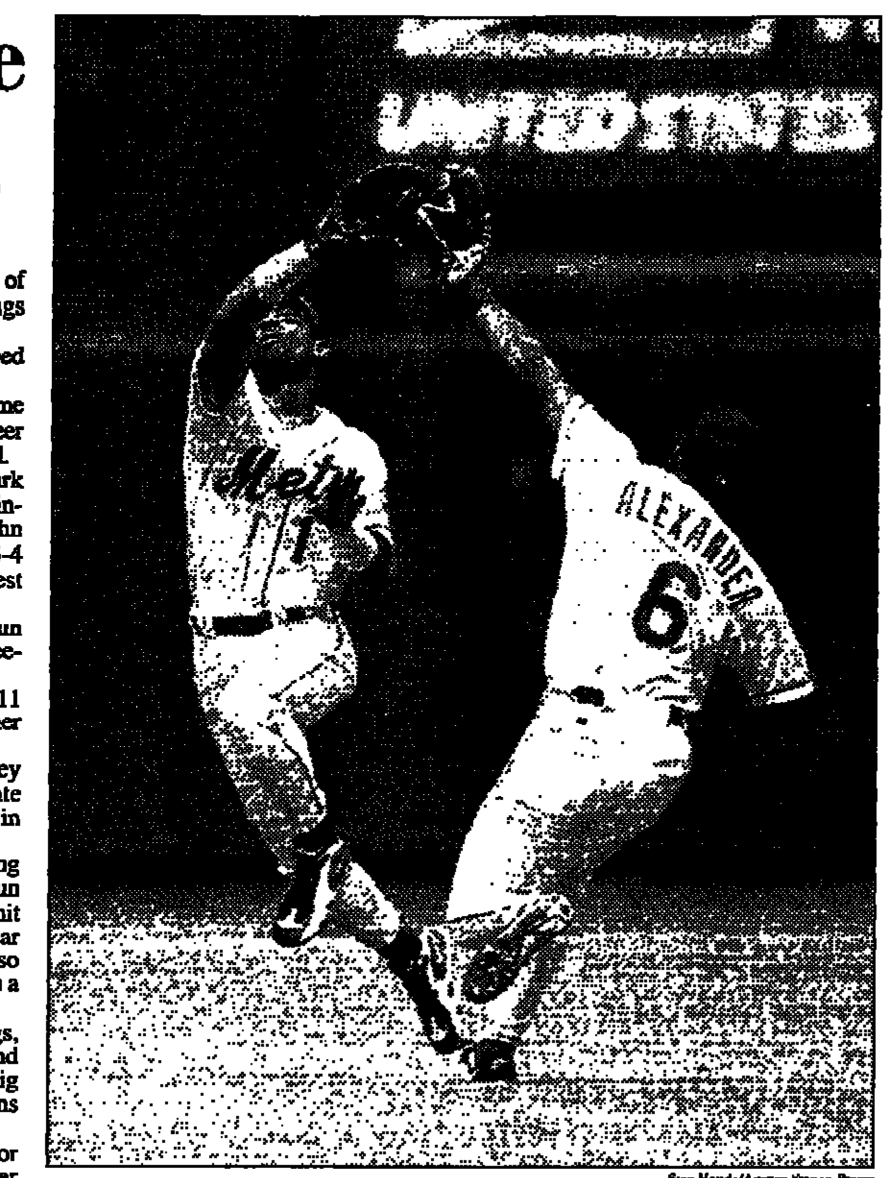
Cummings hit a run-scoring triple for a 2-1 lead in the fifth inning and later scored. He doubled in the seventh and scored on two wild pitches.

The Phillies have the worst record in the majors at 29-66, but are 5-5 since the All-Star break.

Giants 9, Cardinals 2 Pitching in front of a crowd that included 100 friends and family members, Kirk Rueter beat the Cardinals and the 96-degree heat at St. Louis. Rueter allowed one run in seven innings. He gave up six hits, walked none and struck out seven. Barry Bonds hit his 24th home run and Stan Javier had a three-run shot as San Francisco stopped a three-game losing streak.

Padres 3, Marlins 0 Andy Ashby pitched seven innings and Chris Gomez hit a two-run triple as San Diego won in Miami.

The Padres' Tony Gwynn went 0-for-4, giving him consecutive hitless games for the first time this season. Gwynn's hitless streak reached 10 at-bats and his average fell to .388.



Stan Honda/Agence France-Presse

The Mets' Lance Johnson beating his teammate Manny Alexander to a centerfield fly by the Reds' Kent Mercker in the third at Shea Stadium.

Irabu Takes First Loss As Big League Pitcher

Australian Batter Hammers Japanese Hurler

The Associated Press

Hideki Irabu, lacking his best stuff, got hit hard in his first road game.

"I don't think it's fair to judge his fastball at this time," said Joe Girardi, the Yankees' catcher, after Irabu was hit hard Sunday night in New York's 6-2 loss in Milwaukee. Irabu (2-1) was

AL Roundup

tagged for six runs and seven hits in 6⅔ innings as his earned-run average rose from 5.40 to 6.38.

"There were occasions that I was hit because of the splitter not being effective," Irabu said through an interpreter.

Dave Nilsson homered and doubled off Irabu.

"He's in a no-win situation," Nilsson said. "It doesn't matter how good he pitches. He should be in the major leagues. He's got good stuff.

"When I hit that double, everybody was cheering, 'U-S-A! U-S-A!' " said Nilsson, who is from Australia. "I don't know where I come into that."

White Sox 10, Orioles 2 Cal Ripken was ejected for only the third time in his career as Baltimore lost for the 10th time in 13 games, and Frank Thomas went 4-for-5 with a two-run homer and four runs batted in.

Ripken was ejected by Al Clark, the plate umpire, in the second inning for arguing a called third strike. Ripken's previous ejections, both for arguing a called strike in the first inning, occurred in 1987 and 1989.

Indians 7, Red Sox 2 Charles Nagy (10-6) gave up two runs and seven hits in seven innings as the Indians' manager, Mike Hargrove, got his 500th career victory. Cleveland stopped Boston's season-high winning streak at four.

Hargrove, 500-418 (.545) since becoming Cleveland's manager in 1991, became the fourth active manager with 500 wins with his current club.

Tom Gordon, who has not won in five starts since June 22, allowed five runs and five hits in four innings and dropped to 0-4 with a 17.44 earned-run average in four starts at Jacobs Field.

Twins 1, Athletics 0 Brad Radke pitched a five-hitter to win his ninth consecutive start as visiting Minnesota won its fourth straight and completed a three-game sweep.

Radke, who hadn't lost since June 2 at Texas, matched his career high with 10 strikeouts and walked none.

Mariners 5, Royals 4 For the sixth time this season, Jamie Moyer won in a game following a Seattle loss. Paul Sorrento homered for Seattle, sending visiting Kansas City to its 17th loss in 19 games.

Moyer (10-3), who reached double digits in wins for the third time in his 11-year career, allowed four runs and nine hits in 6⅔ innings, leaving after Chili Davis's three-run homer in the seventh made it a one-run game.

Angels 9, Blue Jays 5 Chuck Finley (8-6) won his fifth straight start, allowing five runs and nine hits in 6⅓ innings and striking out eight as Anaheim won for the 12th time in 13 games.

Visiting Toronto lost its manager, Cito Gaston, and a player, Joe Carter, to ejections. Gaston was tossed in the third inning, for the first time this season, for arguing a call with the first base umpire, Mike Everitt. Carter was thrown out in the seventh in a checked-swing dispute with John Hirschbeck, the plate umpire.

Rangers 7, Tigers 6 Rusty Greer hit a two-out homer in the 10th, his seventh game-winning homer since 1995.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	58	37	.611	—
New York	55	41	.573	3½
Toronto	45	49	.479	12½
Detroit	45	51	.469	13½
Boston	44	53	.454	15
CENTRAL DIVISION				
Cleveland	51	40	.560	—
Chicago	49	47	.510	4½
Milwaukee	45	48	.484	7
Minnesota	44	52	.458	9½
Kansas City	38	55	.409	14
WEST DIVISION				
Seattle	55	43	.561	—
Anaheim	54	43	.557	½
Texas	47	49	.490	7
Oakland	40	60	.400	16

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	62	36	.633	—
Florida	56	40	.583	5
New York	55	42	.567	6½
Montreal	51	45	.531	10
Philadelphia	29	66	.305	31½
CENTRAL DIVISION				
Houston	51	48	.515	—
Pittsburgh	48	49	.495	2
St. Louis	47	50	.485	3
Cincinnati	42	54	.438	7½
Chicago	41	57	.418	9½
WEST DIVISION				
San Francisco	55	43	.561	—
Los Angeles	52	46	.531	3
San Diego	46	52	.469	9
Colorado	45	54	.455	10½

SUNDAY'S LINESCORES

AMERICAN LEAGUE

Boston 100 000 100—2 8 1
Cleveland 300 211 00x—7 11 0
Gordon, Hudson (5), Wasdin (8) and Stanley; Nagy, Assenmacher (8), Weathers (9) and S. Alomar. W—Nagy, 10-6. L—Gordon, 5-8. HR—Boston, Jh.Valentin (10).

Chicago 150 010 021—10 19 0
Baltimore 000 000 002—2 9 1
Navarro and Fabregas; Boskie, Ml.Johnson (6) and Hoiles, Webster (6). W—Navarro, 8-8. L—Boskie, 5-4. HRs—Chicago, F. Thomas (22), Baines (11). Baltimore, Tarasco (7).

Minnesota 010 000 000—1 5 1
Oakland 000 000 000—0 5 0
Radke and Steinbach; C.Reyes, D. Johnson (7), Taylor (9) and Mayne. W—Radke, 13-5. L—C. Reyes, 3-1.

Toronto 003 000 200—5 10 0
Anaheim 100 212 21x—9 13 1
Andujar, Flener (6), Quantrill (6), Spoljaric (7), Timlin (8) and O'Brien; C.Finley, Hasegawa (7), Percival (9) and Td.Greene. W—C. Finley, 8-6. L—Andujar, 0-5. HR—Anaheim, Alicea (5).

Kansas City 100 000 300—4 9 0
Seattle 020 120 00x—5 6 0
Appier, J. Walker (5), Olson (5), Casian (7), Carrasco (8) and Macfarlane, Ml.Sweeney (8); Moyer, B. Wells (7) and Da.Wilson. W—Moyer, 10-3. L—Appier, 6-9. Sv—B. Wells (1). HRs—Kansas City, C.Davis (16). Seattle, Sorrento (19).

New York 200 000 000—2 8 0
Milwaukee 004 011 00x—6 7 0
Irabu, Lloyd (7) and Girardi; Karl and Matheny. W—Karl 4-10. L—Irabu 2-1. HR—Milwaukee, Nilsson (12).

Detroit 020 300 100 0—6 11 0
Texas 000 200 400 1—7 16 0
(10 innings): S.Sanders, Bautista (6), Miceli (7), M. Myers (7), Brocail (7), Sager (8) and Casanova; Whiteside, Sturtze (5), Patterson (8), Wetteland (10) and I. Rodriguez. W—Wetteland 5-2. L—Sager 2-3. HR—Texas, Greer (14).

NATIONAL LEAGUE

Los Angeles 110 201 102—8 11 0
Atlanta 002 001 000—3 7 3
Park, Guthrie (7), Dreifort (8), To.Worrell (9) and Piazza, Prince (1); Smoltz, Cather (8), Bielecki (9) and Edd.Perez, Spehr (7). W—Park, 8-5. L—Smoltz, 8-9. HR—Los Angeles, Mondesi (20).

Houston 011 003 040—9 8 0
Montreal 000 000 000—0 4 0
Kile and Eusebio; Hermanson, M. Valdes (7), Daal (8), Torres (9) and Fletcher. W—Kile, 13-3. L—Hermanson, 4-5. HRs—Houston, L.Gonzalez 2 (6).

Pittsburgh 100 000 000—1 9 2
Philadelphia 000 120 10x—4 5 0
Schmidt, Christiansen (7), P. Wagner (7) and Kendall; Stephenson, Spradlin (7), Bottalico (8) and Lieberthal. W—Stephenson, 4-4. L—Schmidt, 4-6. Sv—Bottalico (17).

Cincinnati 000 010 000—1 7 0
New York 301 204 00x—10 15 0
Mercker, Fe.Rodriguez (5) and J. Oliver, Taubensee (8); Mlicki, Kashiwada (8), Lidle (9) and Hundley, Pratt (9). W—Mlicki, 5-7. L—Mercker, 7-7. HRs—New York, Gilkey (11), Hundley 2 (22).

San Francisco 100 110 123—9 13 3
St. Louis 000 100 001—2 8 3
Rueter, Tavarez (8), Johnstone (9) and B. Johnson; Al.Benes, Ludwick (8) and Difelice. W—Rueter, 7-4. L—Al.Benes, 9-8. HRs—San Francisco, Bonds (24), Javier (6).

Colorado 011 120 202—9 12 1
Chicago 001 130 000—5 12 0
R.Bailey, Leskanic (6), Holmes (8) and Manwaring; Foster, T.Adams (6), Patterson (7), Bottenfield (7), Rojas (9) and Servais. W—Leskanic, 2-0. L—T. Adams, 1-5. Sv—Holmes (2). HRs—Colorado, Ec.Young (5), L. Walker 2 (29), Castilla 2 (25).

San Diego 000 000 210—3 4 0
Florida 000 000 000—0 6 1
Ashby, Tl.Worrell (8), Hoffman (9) and Flaherty; Saunders, Helling (7) and Zaun. W—Ashby, 6-6. L—Saunders, 2-3. Sv—Hoffman (22).

CRICKET

AUSTRALIA TOUR

MIDDLESEX VS AUSTRALIA

3-DAY MATCH, 3D DAY AT LUNCH

MONDAY, IN LONDON, ENGLAND

Middlesex: 305 and 201-6
Australia: 432-7 declared
Match ended in draw.

Asia Cup

INDIA VS PAKISTAN

MONDAY, IN COLOMBO, SRI LANKA

Replay match India and Pakistan was abandoned after overnight rain affected ground. Teams will share points from the match. India need to defeat Bangladesh by big margin on Thursday for place in final against Sri Lanka on Sunday.

CYCLING

Tour de France

Results Monday of Tour de France, 15th stage from Courchevel to Morzine, 209 kilometers (130 miles):

1. Marco Pantani, Italy, Mercatone Uno, 5 hours, 57 m., 16 s.; 2. Richard Virenque, France, Festina, at 1:17 behind; 3. Jan Ullrich, Germany, Telekom, s. t.; 4. Beat Zberg, Switzerland, Mercatone Uno, at 1:49; 5. Francesco Casagrande, Italy, Saeco, 1:59; 6. Bobby Julich, United States, Cofidis, 1:59; 7. Fernando Escartin, Spain, Kelme, 1:59; 8. Bjarne Riis, Denmark, Telekom, 2:06; 9. Jose Maria Jimenez, Banesto, Spain, 3:29; 10. Oscar Camenzind, Switzerland, Mapei, 3:299.

OVERALL: 1. Ullrich 76:48:59; 2. Virenque at 6:22; 3. Pantani 10:13; 4. Riis 11:55; 5. Escartin 16:05; 6. Abraham Olano, Spain, Banesto, 16:40; 7. Casagrande, 17:14; 8. Jimenez, 23:42; 9. Roberto Conti, Italy, Mercatone Uno, 28:20; 10. Laurent Dufaux, Switzerland, Festina, 29:46.

GOLF

Deposit Guaranty

Final scores Sunday in $1 million Deposit Guaranty Golf Classic, played on 7,157-yard, par-72 Annandale Golf Club in Madison, Miss. (all U.S.):

Billy Ray Brown	69-66-69-67—271
Mike Standly	69-67-70-66—272
Mike Brisky	64-74-67-68—273
Blaine McCallister	70-67-70-67—274
Brian Rowell	69-68-69-68—274
Mike Springer	69-69-67-69—274
Steve Lowery	69-65-70-70—274
Steve Jurgensen	66-67-69-72—274
Brian Claar	67-69-68-70—274
Woody Austin	66-69-71-69—275
Brian Henninger	68-68-70-69—275
Don Pooley	65-68-71-71—275

GOLF RANKINGS

1. Tiger Woods (U.S.) 11.00 points average
2. Greg Norman (Australia) 10.28
3. Ernie Els (South Africa) 10.20
4. Colin Montgomerie (Britain) 9.77
5. Nick Price (Zimbabwe) 9.52
6. Tom Lehman (U.S.) 8.55
7. Steve Elkington (Australia) 8.36
8. Masashi Ozaki (Japan) 7.91
9. Mark O'Meara (U.S.) 7.63
10. Phil Mickelson (U.S.) 7.24
11. Brad Faxon (U.S.) 6.80
12. Fred Couples (U.S.) 6.77
13. Justin Leonard (U.S.) 6.77
14. Nick Faldo (Britain) 6.73
15. Jesper Parnevik (Sweden) 6.63

SOCCER

COSAFA CASTLE CUP

Mozambique 1 Namibia 1

STANDINGS: Mozambique 5 points; Namibia 5; Zambia 4; Tanzania 2; Malawi 1.

MAJOR LEAGUE SOCCER

Kansas City 3, Washington D.C. 2
Los Angeles 4, New York-New Jersey 0
Columbus 1, New England 0
Tampa Bay 3, San Jose 1
Dallas 4, Colorado 2

STANDINGS: Eastern Conference: D.C. 35 points; Tampa Bay 29; New England 28; Columbus 20; NY-NJ 16; Western Conference: Kansas City 31; Dallas 30; Colorado 25; Los Angeles 19; San Jose 17.

INTERTOTO CUP

GROUP 1

Polonia Warsaw, Pol. 0, Duisburg, Ger. 0
Heerenveen, Neth. 8, Aalborg, Denmark, 2

FINAL STANDINGS: MSV Duisburg 10 points; Aalborg 6; Dinamo 93, Belarus, 6; Heerenveen 4; Polonia Warsaw 2.

GROUP 2

Silkeborg, Den. 6, Ebbw Vale, Wales, 0,
Bastia, France, 1, Casino Graz, Austria, 2

FINAL STANDINGS: Bastia 9 points; Casino Graz 7; Silkeborg 6; Dragovoljac, Croatia, 6; Ebbw Vale 1.

GROUP 3

Royal Antwerp, Belg. 2, Lausanne, Switz. 2
Nea Salamina, Cyprus, 1, Auxerre, Fr. 10

FINAL STANDINGS: Auxerre 10 points; Lausanne Sports 8; Royal Antwerp 7; Nea Salamina 3; Ards, Northern Ireland, 0.

GROUP 4

Cologne, Ger., 1, Standard Liege, Belgium, 1
Aarau, Switzerland, 0, Cork City, Ireland, 0

FINAL STANDINGS: 1FC Cologne 10 points; Maccabi Petah Tikva 5; Standard Liege 4; Cork City 3; Aarau 2.

GROUP 6

Stabaek, Norway, 1, Dinamo Moscow, Rus. 1
Genk, Belgium, 4, Panahaiki, Greece, 2

FINAL STANDINGS: Dinamo Moscow 10; Genk 9; Stabaek 5; Panahaiki 4; Boltfelagid, Faroes, 0.

GROUP 8

Odense, Denmark, 2, Kaunas, Lithuania, 2
Hamburg, Ger. 3, Samsunspor, Turkey, 1

FINAL STANDINGS: Hamburg SV 12 points; Samsunspor 9; Kaunas 4; Ithrottafelagid, Iceland, 3; Odense 1.

GROUP 7

Vasas, Hungary, 2, Werder Bremen, Ger. 0
Istanbulspor, Turkey, 3, Oster IF, Sweden, 2

FINAL STANDINGS: Istanbulspor 10; Vasas 9; Werder Bremen 7; Oster IF 3; FC Universitate, Latvia, 0.

GROUP 8

Halmstad, Swe. 6, Turun Palloseura, Fin. 1
Lommel, Belg. 3, Hajduk Radic, Yug. 2

FINAL STANDINGS: Halmstad 10 points; Lommel 6; Hajduk Radic 6; Turun Palloseura 4; Kongsvinger, Norway, 1.

GROUP 9

Austria Vienna 1, Odra Wodzislaw, Poland, 5
Rapid Bucharest 1, Olympique Lyon, Fr. 2

FINAL STANDINGS: Olympique Lyon 12 points; Rapid Bucharest 7; Odra Wodzislaw 4; MSK Zilina, Slovakia, 4; Austria Vienna 1.

GROUP 10

Cukaricki, Yug. 3, Spartak Varna, Bulgaria 0
Montpellier, Fr. 3, Groningen, Netherlands, 0

FINAL STANDINGS: Montpellier 10 points; Groningen 9; Cukaricki 6; Gloria Bistrita, Romania, 3; Spartak Varna, Bulgaria, 1.

GROUP 11

Maccabi Haifa, Israel, 0, Ninzhni Novgorod 4
Antalyaspor, Turkey, 1, Proleter, Yug. 0

FINAL STANDINGS: Ninzhni Novgorod, Russia, 12 points; Publikum Celje, Slovenia, 5; Antalyaspor 4; Proleter 4; Maccabi Haifa 3.

GROUP 12

Torpedo Moscow, Rus. 2, Ried, Austria, 0
Heraklis Salonika, Gr. 1, Floriana, Malta, 0

FINAL STANDINGS: Torpedo Moscow 12 points; Merani 91, Georgia, 6; SV Ried 6; Heraklis Salonika 6; Floriana 0.

SEMIFINALS DRAW

Cologne v Montpellier
Auxerre vs Torpedo Moscow
Bastia vs SV Hamburg
Dinamo vs MSV Duisburg
Ninzhni Novgorod vs Halmstad
Istanbulspor vs Olympique Lyon

First legs to be played July 26 and 27, return on July 30.

INTERNATIONAL FRIENDLY

Iceland 0, Norway 1

World Cup

SOUTH AMERICAN ZONE

Argentina 2, Venezuela 0
Bolivia 1, Uruguay 0
Chile 2, Paraguay 1
Colombia 1, Ecuador 0

STANDINGS: Argentina 25 points; Paraguay 23; Colombia 21; Chile 19; Bolivia 17; Peru 16; Ecuador 15; Uruguay 14; Venezuela 3.

TENNIS

LEGG MASON CLASSIC

IN WASHINGTON D.C.

FINAL

Michael Chang (1), U.S. def. Petr Korda (2), Czech Republic, 5-7, 6-2, 6-1.

TRANSACTIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM—Put RHP Rich DeLucia on 15-day disabled list retroactive to July 15. Bought contract of RHP Shad Williams from Vancouver of PCL.

BALTIMORE—Activated C Chris Hoiles from 15-day disabled list. Designated C Tim Laker for assignment.

BOSTON—Signed LHP John Curtice and RHP Travis Harper.

CLEVELAND—Sent INF Casey Candaele and OF Trenidad Hubbard outright to Buffalo, AA. Claimed RHP Teddy Warrecker off waivers from Los Angeles Dodgers and designated him for assignment.

DETROIT—Bought contract of LHP Glenn Dishman from Toledo, AA. Designated OF Jimmy Hurst for assignment.

KANSAS CITY—Sent RHP Jamie Brewington outright to Wichita, TL.

MILWAUKEE—Put RHP Ben McDonald on 15-day disabled list. Recalled C Kelly Stinnett from Tucson, PCL. Signed RHP Kyle Peterson.

SEATTLE—Optioned RHP Derek Lowe to Tacoma, PCL.

TEXAS— Bought contract of LHP Glenn Dishman from Toledo, IL. Designated OF Jimmy Hurst for reassignment.

TORONTO—Put RHP Juan Guzman on 15-day disabled list. Called up LHP Huck Flener from Syracuse, IL.

NATIONAL LEAGUE

CINCINNATI—Activated LHP Pete Schourek from 15-day disabled list. Put C Brook Fordyce on 15-day disabled list retroactive to July 16.

SAN DIEGO—Activated RHP Doug Bochtler from 15-day disabled list. Optioned RHP Rich Batchelor to Las Vegas, PCL.

SAN FRANCISCO—Activated 3B Bill Mueller from 15-day disabled list. Optioned INF Rich Aurilia to Phoenix, PCL.

PHILADELPHIA—Activated RHP Ryan Nye from 15-day disabled list and optioned him to Scranton-Wilkes Barre, IL.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CHARLOTTE—Named Paul Silas assistant coach.

ORLANDO—Re-signed F Derek Strong to 1-year contract.

SACRAMENTO—Re-signed C Kevin Salvadori.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

BALTIMORE—Signed S Kim Herring to 3-year contract.

CINCINNATI—Signed CB Jimmy Spencer to 2-year contract extension through 1999. Put OL Kevin Sargent on physically-unable-to-perform list. Agreed to terms with DE Reinard Wilson on 5-year contract and RB Corey Dillon on 3-year contract. Signed C Rod Payne to 3-year contract.

DALLAS—Agreed to terms with TE David LaFleur on 5-year contract.

DENVER—Released DE Dan Williams.

DENNIS THE MENACE

"WHEN I GROW UP, I'M GONNA BE A GARBAGE MAN SO I CAN LOOK INSIDE ALL THE CANS!"

PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

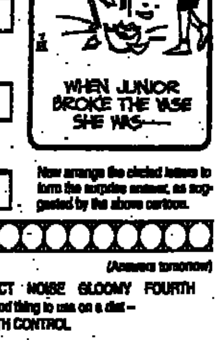
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

CEHOP

YENED

SYTRUT

TOARRO



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

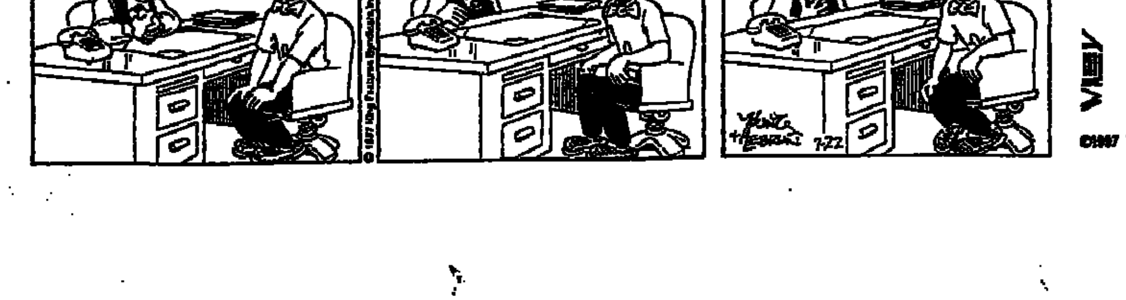
Yesterday's Jumbles: TRACT NOISE GLOOMY FOURTH
Answer: A good thing to use on a diet — GIRTH CONTROL

BEETLE BAILEY

NON SEQUITUR

DOONESBURY

BLONDIE



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ART BUCHWALD

Rockin' the Boat

WASHINGTON — The news that President and Mrs. Clinton were returning to Martha's Vineyard has caused a stir throughout the island. It isn't because we are unused to presidents coming and going, but everyone is asking the same question: "How did he get a ferry ticket?"

Buchwald

You have to understand that the only way to bring a car onto Martha's Vineyard is by ferry, and it's impossible to get a ferry reservation this late in the season. You're not even allowed to park in New Bedford in hopes that someone with a ticket got stuck in a traffic jam in New Jersey.

Everybody has a theory on how the president secured his reservation.

Scott Kenney is convinced that there's a Far East connection. He said, "John Huang probably got the Lippo people to make a ferry ticket donation to the Democratic National Committee, which then passed it on to the president."

Donald Smith is not so sure. "I heard that Mr. Clinton promised someone he could be head of the Joint Chiefs of Staff in exchange for his space on a boat."

Robin Bray, who had been pretty quiet until now, said, "The story I heard was that the president offered to make Romania, Poland and Hungary members of NATO if they would turn over their boat reservations. The Martha's Vineyard Steamship Authority said that they didn't need any more countries from NATO this summer."

Angry island residents have been demanding the appointment of a special prosecutor to find out how the Clintons got their ticket.

Josh Decatur, who has been on standby at Woods Hole since May 12, said, "I'm not a whiner, but when the president drives onto that boat, 145 Secret Service agents and 230 journalists drive on with him. It's not fair when I own a house on the Vineyard and Clinton only rents."

□

The buzz about the president is not only how he can get on our island but also how he can get off. He is slated to leave at the beginning of September, but at the moment the first available ferry reservation is Dec. 3. It doesn't matter for the president because he can serve from any location. But he has to drive Chelsea to Stanford early this fall.

There's even a rumor that the president has offered the ferry captain three nights in the Lincoln Bedroom if he will just put him on standby. But that's just talk.

What makes more sense is that Taiwan wants to send over one of its ferry boats to Martha's Vineyard as a campaign contribution. That's something all the residents on the island can live with.

Storks in the Belfry

The Associated Press

MALPARTIDA DE CACERES, Spain — Storks by the hundreds have moved into Malpartida, building large nests on rooftops and generally irritating the town's 2,500 human residents. Helped by their status as a protected species, the number of storks in Spain have quadrupled to some 16,000 in the past decade.

Guantanamera, the Film: A Cuban Song of Life

By Larry Rohter
New York Times Service

MIAMI — Tomas Gutierrez Alea was already ill with the cancer that would soon kill him when he made "Strawberry and Chocolate," the bittersweet comedy that in 1995 became the first Cuban film to go into general release in the United States and be nominated for an Oscar.

So when the success of that movie led to other offers, he understood from the start that he had received a rare gift: a final opportunity to sum up a lifetime of work and ideas.

The result is "Guantanamera," which addresses, not surprisingly, the twin themes of love and death. Delineating the odyssey of a dead woman's body and the friends and relatives who accompany her coffin from one end of Cuba to the other, the movie manages to ridicule the rigid Stalinist bureaucracy that was one of Gutierrez Alea's favorite targets (though not to the extent desired by his exiled compatriots here), even as it exalts human attachments and passion.

"All of Titon's movies are a mixture of love, tenderness and acid humor," Mirtha Ibarra, the Cuban actress who is Gutierrez Alea's widow and appears in both "Guantanamera" and "Strawberry and Chocolate," said during an interview here, using her husband's nickname. "But this one may be especially so because of the circumstances under which it was made."

The director Tomas Gutierrez Alea and his wife, Mirtha Ibarra, in 1993.

Born into a well-to-do Havana family, Gutierrez Alea, who was 69 when he died last year, originally studied to be a lawyer. But the films of the Italian neo-realist movement captured his imagination, and he went to Italy in the early 1950s to learn about movie making.

His international reputation was established by "Memories of Underdevelopment," which was released in 1968 and chronicles a bourgeois intellectual's difficulties in adapting to life in a revolutionary society. But within Cuba, he was probably best known for sly satires like "Death of a Bureaucrat," a 1966 work that foreshadows "Guantanamera" in both theme and style.

In fact, when "Guantanamera," which takes its title from the famous Cuban ballad and reworks the song's lyrics so that it comments on the plot, was shown in Havana in 1995, audiences flocked to theaters to see it, fearing that it would soon be withdrawn from circulation.

They chuckled at the figure of Adolfo, a pompous bureaucrat whose every utterance is a stale cliche of revolutionary sacrifice taken straight from the pages of Granma, the official newspaper of the Cuban Communist Party, and roared at the misadventures that befall the corpse because of an absurd government plan to make burials more efficient.

Working with Gutierrez Alea "was a privilege on both the professional and personal levels," Juan Carlos Tabio, who because of the director's illness became co-director of both "Strawberry and Chocolate" and "Guantanamera," said from his home in Havana. "He was the master of modern Cuban cinema, and part of what made him so was his flexibility and his spirit of criticism and self-criticism."

"It's not that Titon was able to find some sort of philosopher's stone that eluded the rest of us," Tabio added. "But he had the strength to accept reality and tackle that reality in his work."

In fact, as bizarre as the plot of "Guantanamera" may seem, it was born, the director's widow said, of a newspaper story Gutierrez Alea clipped in the late 1980s, when Cuba's shortage of gasoline was becoming acute.

To save fuel, Communist Party bureaucrats had actually devised a plan that would require coffins to be transferred from one vehicle to another any time the boundary of a province was crossed, in order that no province exceed its gasoline quota. To that idea, Gutierrez Alea added observations from his own notebook and snatches of dialogue heard on the streets of Havana.

"When this movie came out in Europe, they thought it was a comedy of the absurd," Ibarra said. "But it's not. It is a comedy drawn from reality, an X-ray of the island of Cuba."

Indeed, anyone who has traveled the length of Cuba in recent years will quickly recognize scenes from daily life that Gutierrez Alea reproduces almost intact: the eerie absence of traffic on the highways; the families that wait for hours and hours for buses that never come, then crowd into the back of the rare passing truck; the flourishing illegal roadside commerce in meat and vegetables. "Guantanamera," in short, is a road movie that shows a society dispirited and in decay.

But many Cuban directors and screenwriters now in exile in the United States, including several who say they still regard Gutierrez Alea as a mentor or friend, argue that in "Guantanamera," as in his earlier movies, he compromises his principles and does not go far enough in showing the Cuban system's faults.

Sergio Giral, who defected to the United States six years ago and has recently directed a documentary about the Cuban cinema called "The Broken Image," is one of them.

"Titon was a filmmaker and intellectual who sought in every way to use the means of expression at his disposal to question the system," Giral said in an interview here. "But he fell into a trap and was never really able to do any damage to that system, which is inhumane.

"In Cuba there are no films that really dispute the system, because the government will never permit it. When something critical is released, it comes out too late and thus is no longer critical. It has lost its value, which is precisely why it is allowed to come out."

Jorge Ulla, a Cuban filmmaker who now lives in New York, also has mixed feelings about Gutierrez Alea.

"To me, he is a tragic figure," said Ulla. "He was a great narrator and storyteller, a shrewd critic who created a vast body of work that shows a fine intelligence. But he couldn't, or wouldn't, talk about the real problem, which is intolerance. In the final analysis, this is a man who was torn between his socialist convictions and his reservations about the figure of Fidel Castro. Once embarked on this revolutionary adventure, he was unable to break with it, and that limited his message and his work."

Ibarra rejected outright the notion that Gutierrez Alea had ever softened his message or sacrificed his integrity as an artist in order to please the authorities.

"Titon was honest and always said what he wanted to say," she said. "He believed in many of the values of the revolution, and defended them. Besides, censorship is relative. In your country, the producer gets the final cut. That's censorship, too, and Titon never had to contend with that."

To Ibarra, "Guantanamera" is first and foremost an elegy, a work of art rather than a political statement.

"This movie is a song in praise of life and love," she said. "That's what he wanted; he was very clear about that. He knew this was going to be his last movie, that death was there, within reach, waiting for him. So he wanted to deepen his sense of life, and speak out in favor of awakening and living one's life intensely."

Barbara Gindl/Agence France-Presse
Luciano Pavarotti, who says he indeed can read music.

PEOPLE

AN angry **Luciano Pavarotti** has a lesson for those who say he can't read music. After the Milan newspaper Corriere della Sera reported that alleged gap in his musical education, the tenor fired back Monday in an interview with another newspaper. "All garbage," Pavarotti told Il Resto del Carlino of Bologna. The earlier article had quoted Pavarotti as saying, "Yes it's true. I don't read music." It said he made the revelation after the actor **Vittorio Gassman** said he had been "shocked" to discover that Pavarotti was not reading the musical score as they prepared for a duet. Pavarotti said the Corriere article misrepresented his comments. "Journalists always write about music with approximation. So, the score is the book that the conductor has in front of him with all the parts: the instruments, the voices, the chorus, etc." The part for voice and piano "is what we singers use," he said. "Singers, all singers, read this. And I do too."

Prince Charles has given his longtime companion, **Camilla Parker Bowles**, a £100,000 ($170,000) diamond and emerald bracelet for her 50th birthday, a leading British tabloid reported. The gift was intended to tell Parker Bowles and the world "that she's the most important person in his life," according to an unnamed close friend of the prince quoted by the News of the World. The prince is understood to have presented it to Camilla at an intimate dinner on her birthday on Thursday, the paper said. She wore it on Friday at a party for 80 guests in the grounds of his country mansion, Highgrove, in central England. Buckingham Palace has refused to comment on the birthday celebrations.

□

Madonna has embarked on a career as a Time magazine essayist. In a first-person piece in this week's issue, the singer and actress attempts to remember her friend **Gianni Versace** but indulges in more than 30 uses of the pronoun "I." As in: "I believe that when we sleep, our soul leaves our body to be rejuvenated." And, after describing Versace's Lake Como villa: "I was in heaven, but more important, I was envious of a person who had the courage to live life so luxuriously. I'm too practical for that." And: "The last time I saw him was in the spring in Miami . . . He was mesmerized by the blue nail polish on my daughter's toenails."

□

The ex-wife of **Jerry Lewis** has filed suit seeking half of his royalties from the remake of his 1963 film "The Nutty Professor." **Patti Lewis**, who was married to the actor from 1945 to 1980, claims in the suit that she is entitled to half the revenues from his films during that period and that the money from the new film is part of that. The suit says Lewis received $1.4 million for ceding the rights for the 1996 film, which starred **Eddie Murphy** and brought in $252 million in box-office receipts.

□

Bill Bradley, who went from professional basketball to the U.S. Senate and then wrote a memoir, made his latest career change this weekend with his debut as a TV news essayist. The former New Jersey senator, who once played for the New York Knicks, closed the "CBS Evening News" Saturday with a message on the meaning of compassion. "Personal tragedies are happening all around us, disasters that leave people feeling that they can't go on," Bradley said, citing the Oklahoma City bombing, the TWA Flight 800 disaster and everyday tragedies like fatal highway crashes. "If you know someone, family or friend, who's been hit by an overwhelming loss, let them know you feel their pain. If you can't find the words, just reach out and touch their shoulder."

New Skipper Named For the Calypso II

Reuters

PARIS — The New Zealand yachtsman Peter Blake has been named to carry on the work of the French oceanographer Jacques-Yves Cousteau, the Cousteau Society has announced.

Blake's Team New Zealand is the current holder of the America's Cup, after defeating Dennis Conner's Young America in San Diego in 1995. Blake and Team New Zealand plan to defend the title in 1999.

In the meantime, Blake will "participate in Cousteau's main projects as much as he can," the society said, and the society will gather the funds necessary to build Cousteau's dream boat, the Calypso II, which will be ready in the year 2000. After the defense of the America's Cup title, Blake "will enter the next millennium at the helm of Calypso II."

Cousteau died on June 25 at the age of 87.

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